

CESCON
BARRIEU

Doing Business in Brazil for Chinese Clients



MARCH 2026

OUTLINE

Energy	<u>03</u>	Due Diligence	<u>58</u>
Mining	<u>12</u>	Dispute Resolution	<u>65</u>
O&G	<u>17</u>	Data Protection	<u>82</u>
Highways	<u>24</u>	Intellectual Property	<u>87</u>
Ports	<u>27</u>	Key contacts	<u>95</u>
Water and Sanitation	<u>29</u>		
Telecom	<u>31</u>		
Data Centers	<u>32</u>		
Tax	<u>33</u>		
Antitrust	<u>37</u>		
Banking and Finance	<u>40</u>		
Compliance	<u>48</u>		
Government Relations	<u>50</u>		
Labor	<u>53</u>		
Real estate	<u>56</u>		



BRAZIL'S ENERGY LANDSCAPE

Major figures and market opportunities



Leader in energy generation in the LATAM region



88.2% of electricity generation comes from **renewable** sources



Energy supply to the grid will grow by an average of **3.3%** per year until 2035



PLANNED EXPANSION UNTIL 2035

- Hydropower plant (UHE): 3,622 MW
- Small hydro (PCH)/CGH: 4,314 MW
- Biomass, biogas, rsu: 4,388 MW
- Solar photovoltaic power (UFV): 8,947 MW
- Wind power plant (EOL): 14,487 MW

BRAZILIAN ENERGY MIX IN 2025

RENEWABLES | 50%



Sugarcane biomass

16.7%



Hydropower

11.6%



Wind

2.9%



Firewood and charcoal

8.5%



Other renewables

8.1%



Solar

2.2%

NON-RENEWABLES | 50%



Petroleum and oil products

34%



Natural gas

9.6%



Coal

4.5%



Uranium

1,3%



Other non-renewable

0.6%

Source: EPE, 2025

BRAZIL'S ENERGY LANDSCAPE

Renewable dominance

In the context of the **energy transition**, renewable sources will continue to expand
Brazil has a **diversified electricity matrix**, rich in renewable sources and complemented by non-renewable ones

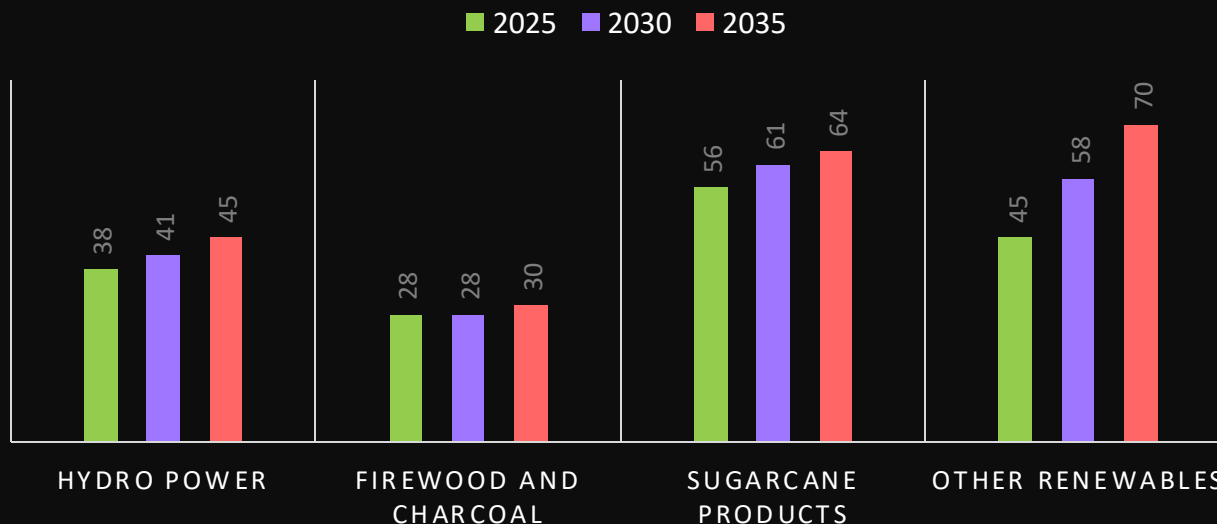
According to the Energy Research Company (EPE, in Portuguese abbreviation), additional power supply will be required starting in 2027, and an increase in energy supply will be needed from 2028 onward

Financing from development banks (e.g., BNDES, BNB), commercial banks, and capital markets, taking into account collateral typical of project finance structures

Distributed generation has an important role in connection with sustainable renewables expansion - losses reduction, diversify the energy mix and promote the renewable sources

- **The world's leader in hydroelectric power generation**, with great opportunities for renewable energy generation
- **Non-hydro power's** capacity expected to grow from 117 GW in 2024 to 217 GW in 2034
- World's 7th largest installed **wind energy capacity**
- **Grid bottlenecks & curtailment**
 - a) Restrictions on renewable generation
 - b) Challenges for grid connections of large consumers such as data centers (timing and costs)
 - c) Default risk is low but should be considered

Domestic energy supply



2035 TEN-YEAR ENERGY EXPANSION PLAN (PDE 2035)

Energy Expansion Plan which indicates the future expansion prospects of the energy sector in Brazil

An estimated average growth of 2.2% per year in renewable energy in the Internal Energy Supply, reaching 51% by 2035

HYDROPOWER IN BRAZIL

Strategic role in the power system

Hydropower remains the backbone of the Brazilian power system, providing flexibility and reliability to the National Grid (**SIN**).

According to the ONS installed-capacity outlook for 2026–2030:

- Hydropower capacity in 2026: 108,896 MW (43.6% of total installed capacity)
- Hydropower capacity in 2030: 109,308 MW (40.1% of total installed capacity)

Strategic importance:

- Provides system flexibility to balance variable renewable sources (solar and wind);
- Reservoirs function as large-scale energy storage;
- Supports security of supply and system stability;

Hydropower continues to be a key asset for integrating growing renewable generation in Brazil.

→ Hydropower therefore remains one of the most relevant long-term investment segments in the Brazilian electricity sector.



Hydropower plants across Brazil (UHE, PCH and CGH).
Source: ANEEL, 2026

Structural Changes (Law 15.269/2025)

- Hydropower concessions may be extended for up to 30 years based on IPP regime;
 - Applies to plants larger than 50 MW granted before 2003;
 - Concessionaires will assume hydrological risk
- Creates long-term investment visibility in the hydropower sector

HYDROPOWER AUCTIONS AND CAPACITY MECHANISMS



Hydropower projects participate in Brazil's energy auctions model, which is the main mechanism for expanding generation capacity

2025 A-5 Auction:

- - 65 projects contracted
- Contracted energy: 384.5 average MW
- Average contracted price: R\$ 392.84/MWh



In addition to traditional energy auctions, hydropower can also participate in Capacity Reserve Auctions (LRCAP).

Purpose of LRCAP:

- ensure security of supply
- contract firm capacity for the power system
- support reliability in a system with increasing renewable generation



REMUNERATION IN HYDROPOWER AUCTIONS

Hydropower projects may be remunerated through different contractual mechanisms depending on the auction model.

Energy Auctions:

- Long-term Power Purchase Agreements (PPAs);
- Contracted electricity supply to the regulated market;
- Predictable long-term revenues

Capacity Reserve Auctions (LRCAP):

- Remuneration based on capacity availability, not only energy generation.

Key characteristics:

- Fixed annual revenue
- Monthly payments
- Inflation indexation
- Contracts typically between 10–15 years

This model provides stable and predictable revenue streams for investors.

TRADING MARKET IN BRAZIL

Structure and regulatory trends

MARKET STRUCTURE & REGULATION



- Energy trading in Brazil operates under a dual market model:
 - Regulated Market (ACR): Energy contracted via public auctions
 - Free Market (ACL): Consumers negotiate directly with generators or traders
- Trading activities include bilateral contracts, short-term market operations, and financial guarantees

IMPACTS OF LAW NO. 15,269/2025



- Full market liberalization by 2027, including residential consumers
- End of renewables discounts/benefits for new contracts after Nov 2025
- Creation of Supplier of Last Resort (SUI) for contract failures



REGULATORY AGENDA (2025–2026)

2025 PRIORITIES:

- Improve rules for energy trading and market monitoring
- Update PLD (spot price) calculation methodology
- Enable regulatory framework for energy storage systems

2026 OUTLOOK:

- Regulate financial guarantees for short-term market
- Define rules for “constrained-off”
- Establish controlled regulatory environments for ancillary services
- Implement operational rules for full retail market opening
- Trading rules improvement

POWER TRANSMISSION IN BRAZIL

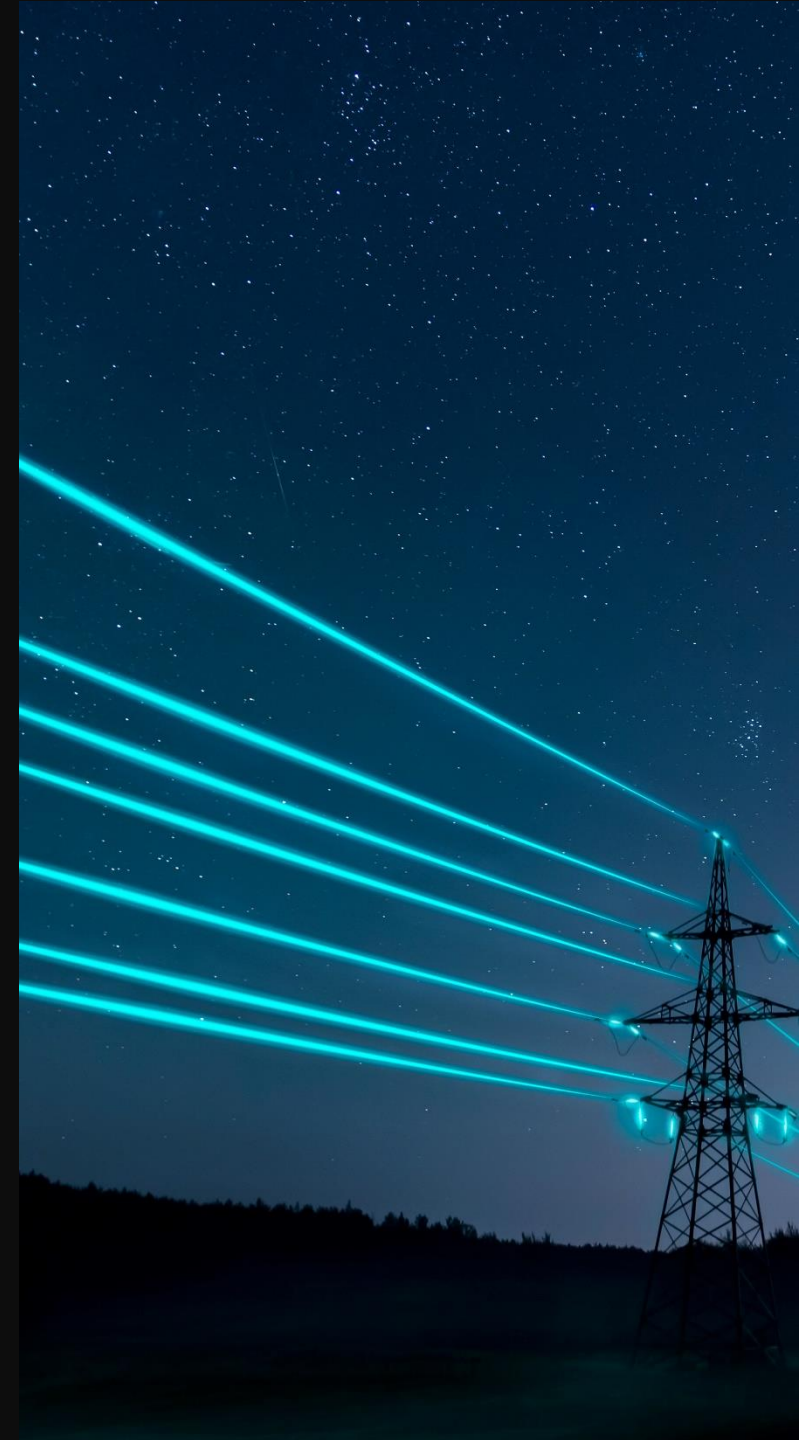
Regulatory trends

- The expansion of the National Grid is one of the solutions to mitigate the effects of curtailment and constrained-off events related to power injected by renewable plants
- Discussions on the strengthening grid resilience requirements due to increased exposure to extreme climate events

OTHER REGULATORY DISCUSSIONS



- ✓ Transmission Concession Renewal (Law N° 11,314/2022)
 - Extension of existing concessions
 - Transition of service provision after concession ends
 - Treatment of improvements made during the concession
- ✓ Take into account the high volume of access requests from electro-intensive consumers
 - National Policy for Access to the Transmission System (Decree No. 12,772/2025)
 - ☐ Access Seasons: all requests for consumer connection to the Grid will be analyzed in an integrated and simultaneous manner, with competitive processes for points where demand exceeds available capacity.
- ✓ Review of reliability criteria for transmission facilities
- ✓ Incorporation of flexibility and storage solutions into planning



BESS MARKET IN BRAZIL

Regulatory trends



The Brazilian energy storage market has the potential to attract over **BRL 44 billion in investments by 2030**



Around **BRL 14 billion** would be allocated to off-grid solutions in isolated communities, especially in the Amazon region

Another **BRL 14 billion** is expected to be invested in behind-the-meter (BTM) solutions for consumers aiming to reduce costs and participate in demand response programs



Approximately **BRL 16 billion** could be invested in front-of-the-meter (FTM) solutions, mainly through public Capacity Reserve auctions



Synergy with **Data Centers**:

- *Greenshoring* strategy
- 24/7 energy availability
- Cost optimization opportunities include improving Power Usage Effectiveness (PUE): $\text{Total facility energy} / \text{Energy used by IT equipment}$

PUBLIC CONSULTATION No. 39/2023

ANEEL has been discussing the regulation of energy storage systems through Public Consultation No. 39/2023, addressing:

- Adaptation of grid access regulation for new storage technologies;
- Indicating how the activity may be authorized (i.e., concessions, licenses, or changes to existing licenses); and
- Evaluation of alternative compensation structures for energy storage systems.

LAW No. 15,269/2025

Law No. 15,269/2025 modernizes the Brazilian electricity sector, introducing updated rules and incentives concerning energy storage systems:

- Grants ANEEL authority to regulate, supervise, and define remuneration and access rules for BESS;
- Recognizes multiple services provided by BESS, including flexibility, power, ancillary services, and energy trading;
- Allows BESS to qualify under REIDI and requires REIDI-eligible solar projects (including mini and micro DG) to include chemical storage systems; and
- The Federal Government may reduce to zero the Import Tax rates applicable to BESS and their components.

BESS MARKET IN BRAZIL

Storage auction 2026



Ongoing Public Consultation No 202/2025 to address the Guidelines for the 2026 Capacity Reserve Auction (Storage)



Purpose of the Auction

- Contract electric power from new battery energy storage systems connected to the National Grid;
- Supply start date: August 1, 2028;
- Contract duration: 10 years



Objectives

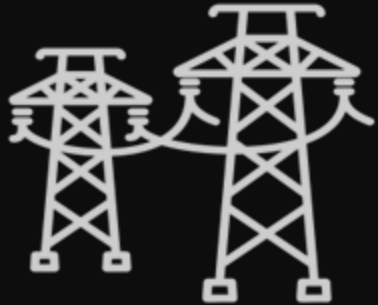
- Ensure the SIN's ability to meet instantaneous demand, especially during peak hours;
- Support the increasing share of non-dispatchable renewable sources, such as solar and wind;
- Enable the provision of ancillary services, improving:
 - Operational flexibility
 - Locational flexibility
 - System reliability

Technical Requirements

- Minimum power capacity of 30 MW;
- Continuous operation duration of 4 hours;
- Minimum round-trip efficiency of 85%;
- Maximum recharge time of 6 hours; and
- Systems must also support up to two full cycles per day (charge and discharge), with an annual limit of 365 cycles (366 in leap years), and must have a Unit Variable Cost equal to zero.

DATA CENTERS AND THE POWER SECTOR

BRAZILIAN DATA CENTER MARKET – Key Context



Brazil's data center market is at a pivotal moment, driven by surging demand for data processing and storage fueled by artificial intelligence and cloud computing

Due to the need for uninterrupted operations, the reliability of electricity supply is crucial for data center performance and is also a significant cost factor

Opportunities to manage electricity costs include improving Power Usage Effectiveness (PUE) — the industry-standard metric for assessing energy efficiency. PUE measures the ratio between the facility's total energy consumption and the energy used specifically by IT equipment



BRAZIL'S COMPETITIVE ADVANTAGES – Attractive hub for data centers

- Predominantly renewable energy matrix;
- Special Economic Zones (ZPEs) offering tax incentives for service exporters; and
- Rapidly expanding domestic market

ENERGY SUPPLY OPTIONS

- Power Purchase Agreements (PPAs) and self-generation structures, which may grant access to exemptions from certain sectoral charges;
- Distributed Generation (DG) models, enabling consumers connected to distribution utilities to offset their electricity consumption;
- Assessment of energy storage solutions, aligned with the ongoing development of sector-specific regulations

GRID ACCESS & EXPANSION

- Access to the grid rules and conditions have been changed by National Policy for Access to the Transmission System (Decree No. 12,772/2025);
- To support investment planning, developers may notify the Energy Research Office (EPE) of their interest in implementing data centers through an online submission form

MINING

Brazilian leadership



According to the National Mining Agency (ANM), production reached BRL 270.8 billion in 2024, registering a **9.1% growth** compared to 2023



An estimated **USD 68.4 billion** in investments is projected by 2029



Brazil possesses the following participation in the world's reserves:

- a) Niobium – 94%
- b) Rare Earth – 23%
- c) Graphite – 26%
- d) Iron ore – 17%
- e) Lithium – 8%
- f) Copper – 8.1%
- g) Nickel – 12%



Minas Gerais concentrates the largest part of the national mineral production

Brazil has great potential to be a significant player in lithium production, accounting for around 4.2% of the global output



Pará hosts some of the largest mineral operations in the world, including the Carajás complex operated by Vale.

S11D Project: has a production capacity of 90.0 million tons of iron ore per year. Plans are in place to increase production capacity to 110.0 million tons per year by 2028



Bahia is expected to attract over USD 9.0 billion in investments by 2029, highlighting its position as one of the country's key mining hubs

MINING

Key critical minerals projects



Lithium:

- Grotta do Cirilo Mine – MG (Sigma Lithium)
- Volta Grande Mine – MG (AMG Brasil)
- Cachoeira Mine – MG (Companhia Brasileira de Lítio)
- Bandeira, Itinga and Salinas Projects – MG (Lithium Ionic)



Graphite:

- Itaperica, Pedra Azul and Salto da Divisa Mines – MG (NGL)
- Matheus Leme Mine – MG (Grafita –MG)
- Maiquinique Mine – MG (Extativa/Grafite do Brasil)
- Boa Sorte Mine – BA (Graphcoa/Appian Capital)



Rare Earths:

- Carina Project – GO (Aclara Resources)
- Pela Ema Mine - AM (Serra Verde)
- Caldera Project – MG (Meteoric Resources)
- Colossus Project – MG (Viridis Mining)



Nickel:

- Santa Rita Mine – BA (Atlantic Nickel/CBPM)
- Onça Puma Mine – PA (Vale Base Metals)
- Codemin and Barro Alto Mines – GO (MMG limited)
- Jaguar Project – PA (Centaurus Metals)



Copper:

- Sossego and Salobo Mines – PA (Vale Base Metals)
- Caraíba Complex - BA (Ero Copper)
- Chapada Mine – GO (Lunding Mining)
- Pedra Branca Mine – PA (BHP Group Limited – Corex)

MINING

A modern and continuously evolving regulatory framework

The sector is based on the Federal Constitution of 1988, on the Mining Code (Decree-Law 227/1967), and on the Mining Code Regulation - RCM (Decree 9406/2018). Within this framework, the National Mining Agency (ANM) serves as the sector's regulatory body, having been established by Law 13,575/2017.

Law 14.514/2022: Improvements to the Mining Code

- ✓ Facilitates the start of mining operations through simplified capital requirements
- ✓ Grants access to credit by allowing more mineral rights to be used as collateral

Decree 10,965/2022: Improvements to the RCM

- ✓ Ensure greater efficiency and legal certainty
- ✓ Accelerate processes without relinquishing environmental protection

Law No. 12.334/2010: National Dam Safety Policy

- ✓ Establishes the National Dam Safety Policy for water storage for any purpose, final or temporary disposal of tailings, and accumulation of industrial waste
- ✓ Creates the National Dam Safety Information System

New Regulatory Agenda 2025–2026: Impacts for Investors



Enhanced predictability and legal certainty
Establishment of clear priorities and timelines for regulatory changes



Incentives for Strategic Minerals
Prioritization of critical and strategic minerals with trend monitoring to develop policies on the subject



Acceleration of project commencement
Simplification of the mineral granting and environmental licensing processes

MINING

Main regulatory framework

ANM Resolution No. 68/21

Provides for the rules regarding the Mine Closure Plan – PFM.

ANM Resolution No. 85/21

Regulates the mining rights availability procedure.

Resolução Resolution No. 90/21

Regulates the RCM, establishing the hypotheses for offering mineral rights as collateral.

ANM Resolution No. 94/22

Governs the classification of mineral reserves, based on internationally accepted standards.

ANM Resolutions No. 95/22 and 220/25

Consolidate the normative acts that provide for mining dam safety.

ANM Resolution No. 119/22

Regulates the issuance of the Kimberley Process Certificate (KPC) for export.

ANM Resolution No. 119/22

Regulates research authorization requests via the REPEM electronic system.

ANM Resolutions No. 122/22 and 223/25

Provide for the procedures for investigating infractions, sanctions, and the applicable fine amounts.

ANM Resolution No. 129/23

Provides for AML/CFT compliance and prevention of mass destruction weapon proliferation.

MINING

Opportunities



The Invest Mining Network was created as a coalition between banks, funds, and government agencies to **promote a favorable environment for mining financing in Brazil**



In partnership with companies such as Vale, BNDES has created investment funds to support mining companies called **Private Equity Investment Fund (FIP) for Critical Minerals**, with contributions ranging from BRL 100 million to BRL 250 million



The Ordinance MME No. 120/2025, issued by the Ministry of Mines and Energy (MME), establishes the **Debenture Policy for Strategic Mineral Transformation Projects for the Energy Transition**. This regulation enables the financing of these projects through the issuance of securities with tax benefits, in accordance with Article 2 of Law 12,431/11 (Incentivized Debentures) and Law 14,801/24 (Infrastructure Debentures). It represents a decisive advancement in industrial and mineral policy geared toward the energy transition, by creating a clear regulatory pathway for financing mineral transformation projects through the capital markets.

BRAZIL MINING AUCTIONS CALENDAR, ORGANIZED BY THE NATIONAL MINING AGENCY (ANM)

DATE	TYPE OF AUCTION	DESCRIPTION	STATUS
1st Half 2026	9th Availability Round	New round offering thousands of areas for research and mining concession	Planned
1st Half 2027	10th Availability Round	Continuation of the availability program	Expected

O & G SCENARIO

Opportunities and challenges

UPSTREAM BID ROUNDS

- ✓ **3rd Cycle of the PSC Permanent Offer — Held on Oct 2025**
~R\$ 103.7 million in signature bonuses (2025) and 5 exploratory PSC blocks awarded in the pre-salt polygon, in the Santos and Campos basins.
- ✓ **5th Cycle of the Concession Permanent Offer — Held on June 2025**
~R\$ 989 million in signature bonuses (2025) and 34 concession contracts for exploratory blocks in the Parecis, Foz do Amazonas, Santos and Pelotas basins.

➡ **SOON** **New PSC Permanent Offer Bid**
• 23 exploratory blocks: 8 blocks currently available in the existing OPP notice plus 15 newly proposed blocks (under ANP Public Hearing No. 02/2026), all located in the Santos and Campos Basins

➡ **SOON** **New Concession Permanent Offer Bid**
• 450 blocks and 5 mature fields, divided across 11 basins (Campos, Ceará, Espírito Santo, Parecis, Parnaíba, Potiguar, Recôncavo, Santos, São Francisco, Tacutu, and Tucano)

UPSTREAM M&A AND PROJECT FINANCE

M&A (farm-out) transactions

Reserve-Based Lending (RBL)

FPSOS PETROBRAS' INVESTMENT PLAN

Participation through Petrobras auctions or project finance

- 2026**
 - Búzios 8 (P-79): 180 Mbpd
- 2027**
 - Búzios 9 (P-80): 225 Mbpd
 - Búzios 10 (P-82): 225 Mbpd
 - Búzios 11 (P-83): 225 Mbpd
- 2028**
 - Raia: 126 Mbpd (Non-operated by Petrobras)
- 2029**
 - Atapu 2 (P-84): 225 Mbpd
- 2030**
 - Sépia 2 (P-85): 225 Mbpd
 - SEAP II: 120 Mbpd
- 2031 +**
 - Revitalization of Albacora: 120 Mbpd
 - Revitalization of Barracuda Caratinga
 - Revitalization of MLS/MLL
 - Revitalization of Tupi
 - SEAP I

O & G SCENARIO

Opportunities and challenges

TRADING

- **PPSA Oil Auctions**

Regularly conducts auctions for the sale of the Federal Government's share of oil production under production sharing agreements

- **Federal Government's Natural Gas Sales**

First auction expected by 2026

- **Small-scale LNG projects are on the rise in Brazil**

Driven by the country's vast territory and **limited pipeline infrastructure**. Key players include GNLink, Virtu GNL, Eneva and Compass

SUPPLY CHAIN

- **Exploration & Production**

Petrobras projects CAPEX investments of USD 69,2 bi in upstream in the next 5 years. Besides FPSOs, all the supply chain will continue in demand

- **Decommissioning**

Petrobras projects USD 9.7 bi CAPEX disbursements in the next 5 years. Market for decommissioning services on the rise, and bills of law may be enacted to provide advantages for local shipyards

O & G SCENARIO

Opportunities and challenges

New Gas Law in 2021

Key pending regulatory matters include:



Transportation Tariffs

Under revision by the ANP. WACC revision was concluded in the 1st phase. The 2nd one, which is the valuation of the regulatory asset base, is underway. The last phase will be the determination of the maximum permitted revenue



Coordinated Development Plan

Public consultation ended on September 2025



Pipeline Classification Criteria

Debate over whether the proposed criteria may overlap or conflict with state-level distribution pipeline networks



LNG Terminals

Regulation on third-party access to LNG terminals is under discussion after public consultation



Offloading Pipelines & Processing Facilities

No regulation yet on third-party access to these facilities



National Integrated Plan for Natural Gas and Biomethane Infrastructure (PNIIGB)

Awaiting approval



Federal–State Harmonization

Remains an open issue



Natural Gas Auctions

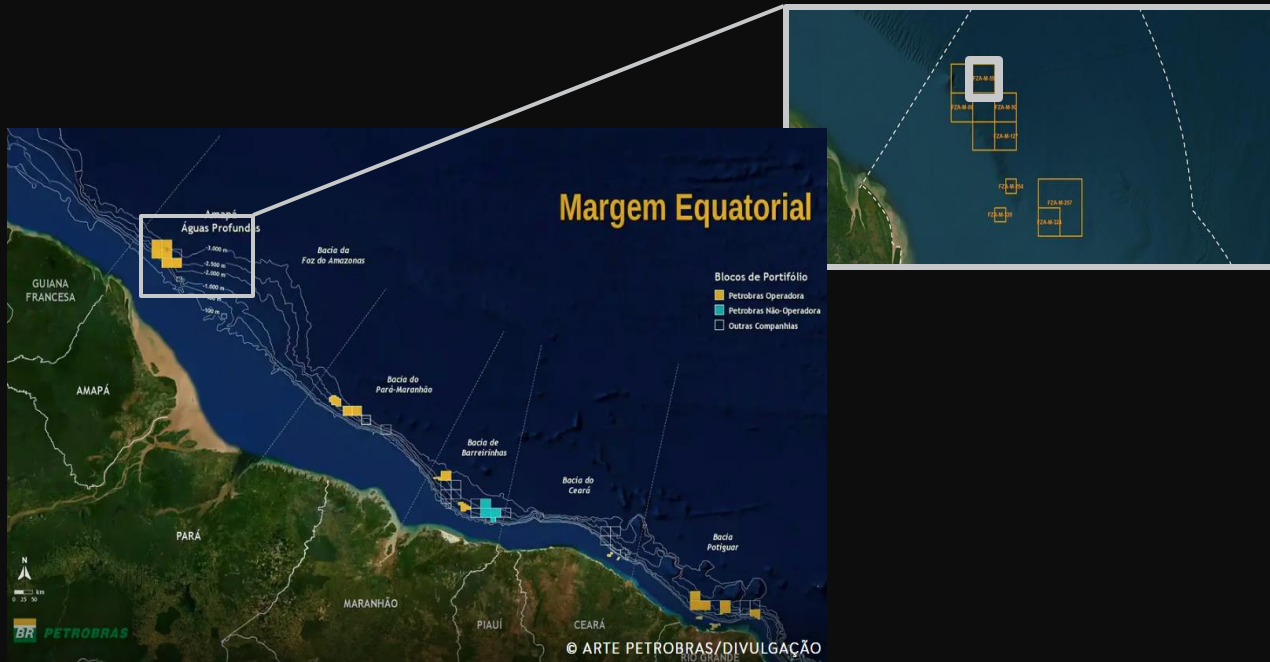
Rules for the 1st auction of the Federal Government's share of natural gas production have not yet been issued by the National Council on Energy Policy (CNPE)

O & G SCENARIO

Opportunities and challenges

IBAMA HAS ISSUED MORE THAN 20 DRILLING LICENSES IN THE EQUATORIAL MARGIN REGION SINCE 2024

General Environmental Licensing Law (Law No. 15,190)



BLOCO FZA-M-059:

- Operation License (LO) No. 1,684/2025 – Petrobras S/A
- The entire process up to the issuance of the LO took 10 years. The LO has 28 environmental conditions.
- An Environmental Impact Study (EIA/RIMA) was prepared, three public hearings were held, and 65 sector-specific technical meetings took place in more than 20 municipalities (Pará and Amapá).
- After the license request was denied in May 2023, several improvements were made, including: the construction and operation of an additional Rehabilitation and Oil-Removal Center (CRD), the inclusion of three offshore vessels dedicated to oiled wildlife response, four nearshore response vessels.

BIOMETHANE OUTLOOK

Robust expansion with regulatory support



Average growth of this sector
is **19%** year over year



BRL 1 billion approved for biomethane
projects by BNDES



43 gas-methane production plans
under construction (19 in operation)



Goal to account for 10% of Brazil's
renewable gas starting from 2026¹



The Southeast region concentrates 73% of
Brazil's biomethane production
(Forecast – 2032)


¹The goal of the Brazilian government is established in the Fuel of the Future Law and the National Biomethane Incentive Program

Sources: Brazilian Biogas Association (ABiogás), CIBiogás, National Agency of Petroleum, Natural Gas and Biofuels (ANP) and National Bank for Economic and Social Development (BNDES)

BIOMETHANE OUTLOOK

Robust expansion with regulatory support

National Integrated Plan for Natural Gas and Biomethane Infrastructure

 Under review by EPE

Main objectives

- Expanding treatment
 - Processing
 - Storage
 - Offloading
 - Transportation
- } ✓ Natural gas (CNG and LNG)
✓ Biomethane
✓ Derivatives

Public selection process

Grant authorizations for the construction or expansion of such infrastructure

The Future Fuel Law (October 2024)

Main objectives

Establishes an incentive program in the natural gas market aimed at reducing greenhouse gas (GHG) emissions.

Beginning in 2026:

1% - 10%

natural gas market will be required to incorporate biomethane within this target range of total natural gas consumption.

Direct use of biomethane
in consumption

Biomethane Certificates of
Origin (CGOBs)

Biomethane Certificates (CGOBs)

Resolutions ANP No. 995/2026 and 996/2026 established the rules for the commercialization of CGOB, as well as the rules that guide the mandatory individual CGOB purchase targets imposed on natural gas producers and importers.

LIQUID BIOFUELS OUTLOOK

Opportunities and Challenges



Brazil is the **2nd-largest ethanol producer** and **3rd-largest biodiesel producer**



Ethanol output projected to **grow 3.8%** annually, from 35 bbl (2024) → 48 bbl (2034)



EPE estimates **BRL 12.65 billion** in ethanol CAPEX between 2026 and 2035, including sugarcane 1G/2G and corn ethanol



Bioelectricity from sugarcane: biomass generation capacity reached **12.7 GW** (Jul 2025)



As of Dec. 2024: **366 ethanol mills** including 29 corn ethanol plants (18 full; 11 flex).



Drivers of Growth

Government incentives (RenovaBio program)

Efficiency gains in production



Key Challenges

Restrictions on farmland acquisition and leasing by foreign investors

Logistics constraints

HIGHWAYS IN BRAZIL

Overview

BRL 161.0 billion in federal highways are expected to be concessioned by 2026

- **Roads carry ~62% of Brazil's freight**; rail ~19.1%, **waterways (cabotage + inland) ~14.6%**, **pipelines ~3.6%**, **air ~0.1%**
- Brazil's road **share of freight (62%)** is higher than in Australia (53%), China (50%), Canada (43%) and the U.S. (32%)
- Brazil has **~72,6k km of paved federal highways**; ~20% are under **private operation**.
- **Logistics costs exceed 10% of Brazil's GDP**—well above other major economies—making road efficiency critical to national competitiveness

New policies

The free flow toll is already being implemented in some highways

Regulatory predictability

ANTT has discussed contractual standards with the market



OPPORTUNITIES IN THE HIGHWAY SECTOR

Federal level

Highway Concession Contract Optimization Program (established in November 2024). Goals:



Restructure concession contracts

considered problematic, with unsatisfactory performance



Unlock improvement investments of **BRL 160.0 billion to improve 14 Highways** between 2024 and 2026

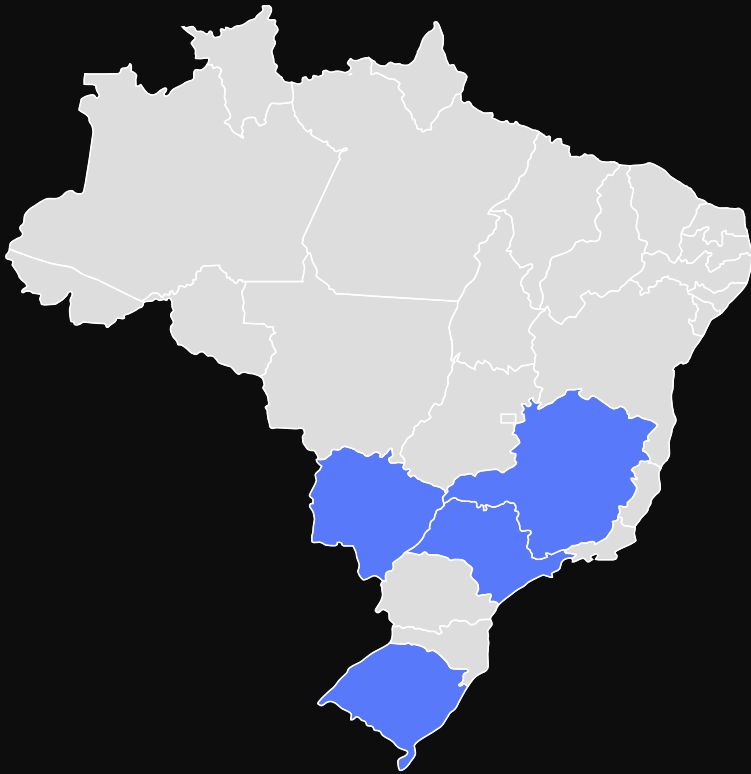


The program promotes the transfer of control of the concessionaire supervised by ANTT

HIGHWAY NAME	STATES COVERED	LENGTH (KM)	STATUS
BR-115/251/MG – Rotas Gerais	Minas Gerais	734,90	Bidding to happen on March 31st
BR-116/324/BA/PE – Rota dos Sertões	Bahia and Pernambuco	502	Bidding to happen on May 28th
BR-116/SP/PR – Régis Bittencourt	São Paulo and Paraná	383.3	Public Consultation
BR-163/MT/PA – Rota Arco Norte	Mato Grosso and Pará	1,009	Concession agreement extended by TCU
BR-060/153/DF/GO – Rota do Pequi	Federal District and Goiás	211.6	Under analysis by TCU
BR-116/392/RS – Rota Portuária do Sul	Rio Grande do Sul	456.2	Studies in progress
BR-116/SC/PR – Planalto Sul	Santa Catarina and Paraná	412.7	Optimization to happen in September
BR-153/SP - Transbrasiliana	São Paulo	321.6	Optimization to happen in October
BR-116/324/BA – Rota 2 de julho	Bahia	653.3	Public Audience
BR-153/282/470/SC – Rodovias Integradas de SC – Lot 01	Santa Catarina	515.1	Studies in progress
BR-153/282/480/SC – Rodovias Integradas de SC – Lot 03	Santa Catarina	166	Studies in progress
BR-116/158/290/392/RS – Rota Integração do Sul	Rio Grande do Sul	674.1	Public Audience

OPPORTUNITIES IN THE HIGHWAY SECTOR

State level



STATE	HIGHWAY NAME	LENGTH (KM)	STATUS
Minas Gerais	Lote 11 – Quadrilátero Ferrífero	500.0	Studies in progress
Minas Gerais	Lote 8 – Vetor Norte	158.0	Bidding suspended
Rio Grande do Sul	Blocos 1	454	Public consultation
Bahia	Anel da Soja	337.93	Studies in progress
São Paulo	Circuito das Águas	533.1	Public audience finished

PORTS IN BRAZIL

Overview

Ports Sector already represents 26% of Brazil's GDP

- The main cargo handled in the ports are **IRON ORE (348.2 million tons)**, followed by **OIL and DERIVATIVES (182 million tons)**.
- The Growth Acceleration Program ("PAC") estimates that more than BRL 50 billion will be invested in the port sector by the year of 2030.
- There are currently 235 Private Use Terminal ("TUP"). This is the main form of port operation, exceeding the number of public ports.
- The TUP does not require a bidding notice. In order to explore a TUP, only a formal request to ANTAQ is needed.

New policies

A new legal framework is being discussed.



OPPORTUNITIES IN THE PORT SECTOR

PORT NAME	STATE	PROJECT	STATUS
VDC29	PARÁ	LEASE	Approved by TCU
IQI16	MARANHÃO	LEASE	Under analysis by TCU
MUC04	CEARÁ	LEASE	Under analysis by TCU
TMP RECIFE	PERNAMBUCO	LEASE	Under analysis by TCU
RDJ06A	RIO DE JANEIRO	LEASE	Under analysis by TCU
SSZ33E	SÃO PAULO	LEASE	Project presented
STS08	SÃO PAULO	LEASE	Approved by TCU
TECON SANTOS 10	SÃO PAULO	LEASE	Under analysis by TCU
PORT OF SANTOS	SÃO PAULO	CONCESSION	Studies in progress
WATERWAY ACCESS CHANNEL TO THE PORT OF SANTOS	SÃO PAULO	CONCESSION	Public Audience
PORT OF ITAJAÍ	SANTA CATARINA	CONCESSION	Under analysis by TCU
SALVADOR, ARATU-CANDEIAS E ILHÉUS	BAHIA	CONCESSION	Under analysis by TCU

WATER & SANITATION

Key legal points



Since the introduction of the New Legal Framework for Water & Sanitation Services, Federal Law Nº 14,026/2020, opportunities have been blooming

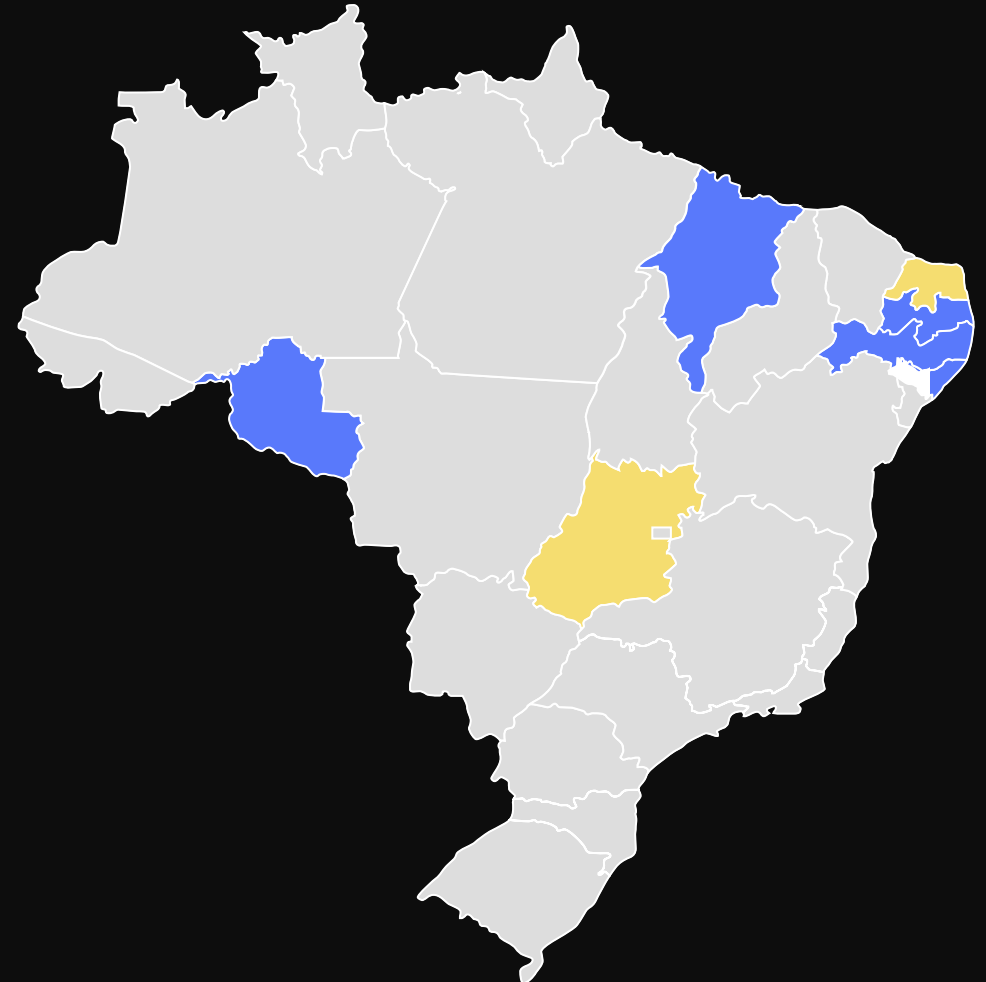


WATER & SANITATION OPPORTUNITIES

8 opportunities, in 7 different states

To fulfill the universalization goal, the Municipalities and the States have been launching public bids to select operators

TYPE OF CONCESSION	STATE	STATUS
CONCESSION OF WATER & SEWAGE	Rondônia	Bidding documents published
	Maranhão	Studies in progress
	Paraíba	Studies in progress
	Pernambuco	Under approval by control agencies
	Alagoas (Block D)	Studies in progress
CONCESSION OF SEWAGE	Rio Grande do Norte	Studies in progress with Cescon Barrieu legal support
	Goiás	Studies in progress
PUBLIC COMPANY SELL	Alagoas (CASAL)	Studies in progress



TELECOMMUNICATIONS

Brazilian regulatory agenda

Infrastructure sharing



60 million operational poles
10–12 million require repair



ANATEL and ANEEL are drafting a new resolution to regulate the pole sharing and sharing costs



58% of telecommunications operators do not have contracts with energy distributors



In the 2021 5G auction, Winity II Telecom acquired a national 700 MHz license. The company planned to establish a partnership with Telefónica to operate the spectrum, but Anatel imposed conditions on the agreement, and the parties decided not to proceed with the deal. Winity formally waived the license and **Anatel decided to re-auction the spectrum**



Up to USD 3.8 billion will be required for infrastructure regularization



Anatel approved the 700 MHz auction, which will occur on **April 15, 2026**. Companies are required to provide 4G coverage in municipalities with over 600 inhabitants and along federal highways, while also meeting ESG commitments

DATA CENTERS INDUSTRY OVERVIEW

A significant growth market

Key competitive advantages:



Electricity matrix predominantly renewable (~85%)



Abundant water resources



Favorable geological conditions

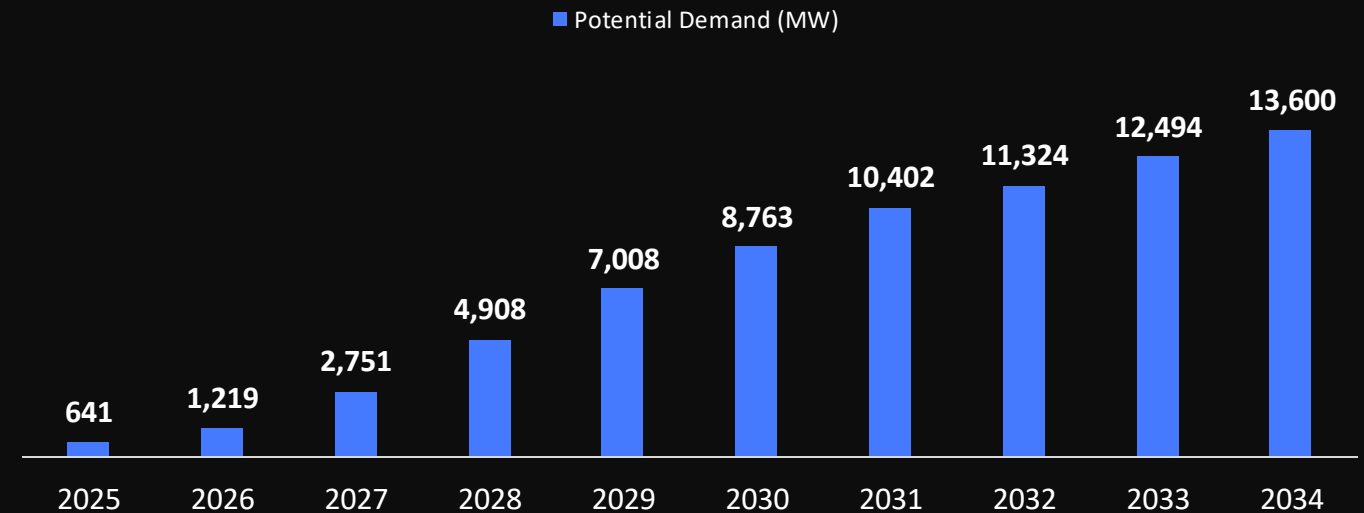


Fast access to a resilient transmission grid



Connectivity to major submarine cables

Potential data center demand in Brazil (in MW)



Source: MME, EPE, BCG, Ministry of Finance, IEA and Unctad

Challenges:



High tax burden on equipment imports

Federal Government expected to approve tax incentives ("Re-Data")



Data privacy

New regulatory framework under discussion in Congress; vote expected by mid-2026

- 36 grid access requests submitted by data centers to Brazilian energy authorities
- Energy demand projected to rise from **641 MW (2025) → 8.8 GW (2030) → 13.6 GW (2037)**
- Government expects **USD 400 billion in data center investments** over the next decade
- Rio de Janeiro recently announced the creation of a data center hub ("Rio AI City") with expected energy demand of 1.8 GW

CURRENT TAXATION FRAMEWORK

Domestic Taxation



a) CORPORATE INCOME TAXES (FEDERAL TAXES)

- Corporate income taxes comprises Corporate Income Tax (IRPJ) and Social Contribution on Net Profits (CSLL), at an aggregate rate of 34%.
- Brazilian companies are subject to worldwide taxation.

IRPJ AND CSLL - TAX REGIMES

- Actual Profit Method (APM) : Mandatory for companies with annual gross revenues exceeding R\$78 million and specific entities (e.g., financial institutions). Allows tax losses carryforward.
- Presumed Profit Method (PPM) . : Taxable income calculated by applying fixed statutory percentage to gross revenues. Not available for companies with annual revenue above R\$78 million and certain activities (e.g. financial institutions). Simpler method, advantageous for high-margin companies.

b) CONTRIBUTIONS ON GROSS REVENUES (FEDERAL TAXES) – PIS AND COFINS

- Non-cumulative regime: PIS 1.65%, COFINS 7.6%. Credits available for offset against debits.
- Cumulative regime: PIS 0.65%, COFINS 3%. No credit deductions.
- Exports exempt from PIS and COFINS.



CURRENT TAXATION FRAMEWORK

Domestic Taxation



c) TAX ON THE CIRCULATION OF GOODS AND ON INTERSTATE AND INTERMUNICIPAL TRANSPORT AND COMMUNICATION SERVICES (STATE TAX) – ICMS:

- ICMS levied on goods sales, interstate/intermunicipal transport, and communication services. Non-cumulative system.
- Rates vary by state and product.
- Exports exempt from ICMS.

d) SERVICES TAX (MUNICIPAL TAX) – ISS

- Municipal tax on service rendering.
- Rates: 2-5% depending on municipality and service type.
- Tax base: service price.
- Possible exemption on export transactions



e) TAX ON FINANCIAL TRANSACTIONS (FEDERAL TAX) – IOF

- IOF/FX on foreign exchange transactions: 0.38% inbound, 3.5% outbound. Foreign loans >364 days: 0%; ≤364 days: 3.5%.
- IOF/Credit on local credit transactions: 0.0082% daily plus 0.38% additional.

f) CASH EXTRACTION – FOREIGN SHAREHOLDER

- **Dividends:** 10% WHT. IOF/FX: 0%.
- **Interest on net equity:** 17.5% WHT (25% for low-tax jurisdictions). Deductible for IRPJ/CSLL. IOF/FX: 0%.
- **Capital gains:** Progressive rates ranging from 15% to 22.5% (15% up to R\$5M, 22.5% above R\$30M). Low-tax jurisdictions: 25% flat rate. IOF/FX: 0%.
- Treaty Benefits should be assessed on a case-by-case basis (Brazil has a Treaty in force with China).

CURRENT TAXATION FRAMEWORK

Domestic Taxation



g) OTHER SOCIAL CONTRIBUTIONS

- Social security contributions on payroll: 20% on payroll – Specific regimes and rates can apply depending on the activity developed by the local entity.
- There are other social contributions whose rates vary according to the company's activity. In this case, the combined rates of these contributions can reach 8.8%. (SESI, SESC, SENAI, SENAC, SEBRAE, INCRA, SAT).

h) TAXATION LEVIED ON THE IMPORT OF GOODS

- Import Duty: Federal tax. Tax rate variable according to NCM classification; non-recoverable. Reduced rates may apply under the ex-tariff regime.
- Excise Tax (IPI): Federal Tax. Tax rate variable according to NCM; recoverable if the company qualifies as an IPI taxpayer.
- PIS/COFINS-Importation: Tax rate usually of 11.75%, considering the customs value.

- ICMS-Importation: Rates vary by state and NCM. Recoverable if the importer is an ICMS taxpayer.

i) TAXATION LEVIED ON THE IMPORT OF SERVICES

- WHT: 15% on service fees abroad (25% for low-tax jurisdictions). Double Tax Treaties may provide lower rates/exemptions.
- CIDE: 10% on technical/administrative services and technology transfer to foreign parties.
- PIS/COFINS: 1.65%/7.6% on service imports. Credits available for certain services (if the importer is under non-cumulative regime).
- ISS: Municipal tax on service rendering/import. 2% to 5% depending on service/municipality.
- IOF/FX: Applies to foreign exchange transactions.

CURRENT TAXATION FRAMEWORK

Recent Developments



BRAZILIAN TAX REFORM ON CONSUMPTION

- Constitutional Amendment 132/2023 introduced a major tax reform to simplify the system.
- Main goal: adoption of a standard OECD indirect tax framework: Broad VAT + Excise Tax on certain goods and services
- Main changes:
 - Federal PIS/COFINS revoked in 2027;
 - State ICMS and Municipal ISS gradually reduced until 2032 (revoked in 2033).
 - Introduction of a Dual VAT system: CBS (federal) and IBS (state/municipal) on goods, services, and intangibles. Non-cumulative system.
 - New tax: Imposto Seletivo (IS): Excise tax on goods/services harmful to environment and health (few goods and services will be taxed).
- Transition begins in 2026 with a 1% trial rate. Both regimes will coexist until 2032 – New system fully implemented in 2033.

BRAZILIAN INTERNATIONAL TAXATION

- Transfer Pricing - Recent adoption of transfer pricing rules consistent with the OECD arm's length principle, replacing the former fixed-margin system (such as PCI and PECEX) . This change not only improves consistency with global practices but also facilitates the recognition of foreign tax credits by Brazil's main trading partners.
- Pillar Two – QDMTT - The legislation introduces a minimum effective tax rate of 15% for large multinational enterprise (MNE) groups, in line with the OECD/G20 Inclusive Framework. This means that Brazilian subsidiaries of MNEs must ensure that their income is taxed at or above the global minimum, in Brazil, or a qualified minimum top up tax will apply.
- Treaty network - In recent years, Brazil has renegotiated and signed amendments to double tax treaties with jurisdictions such as the Netherlands, Switzerland, and Singapore. These updates introduced modern provisions, including mandatory exchange of information on request and automatically, limitation on benefits (LOB) clauses to prevent treaty shopping, and principal purpose tests (PPT) as anti-abuse measures.

ANTITRUST

MERGER FILINGS

CURRENT LEGAL FRAMEWORK



BRAZIL HAS A PREMERGER SYSTEM

CADE approval is a condition precedent to closing transactions that meet certain criteria

- CADE has jurisdiction over transactions that have effects in Brazil even if the transaction is carried out outside the Brazilian territory



TURNOVER THRESHOLDS

- A transaction is reportable to CADE when:
 - (i) one economic group has turnover equal to or above **BRL 750 million**, and
 - (ii) another economic group has turnover equal to or above **BRL 75 million**, both in Brazil



REPORTABLE TRANSACTIONS

- Mergers and acquisitions of control of companies
- JVs, consortium and associative agreements
- Acquisitions of minority stakes (with thresholds of 5% and 20% or more)
- Acquisitions of certain types of assets

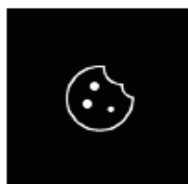


**595 MERGER FILINGS SUBMITTED TO CADE
(JAN./OCT. 2025)**

MAIN SECTORES INVOLVED



ELECTRICITY



FOOD RETAIL



AGRICULTURE

HOT TOPICS

Increasing enforcement over real estate assets acquisitions

- It is important to assess the operational nature of the assets involved
- Recent cases involving supermarkets and logistics centers

Strategic sectors on CADE's radar

- CADE has imposed remedies or declared complexity in recent merger filings involving food, telecom and healthcare sectors
- Examples: Bimbo/Wickbold (food), TIM/Telefonica (telecom) and Unimed/Cascavel (healthcare)

ANTITRUST

ANTICOMPETITIVE CONDUCTS



TYPES OF CONDUCTS (Examples)

- **Collusive practices:** cartels, bid rigging, exchange of competitively sensitive information
- **Unilateral practices:** predatory pricing, exclusivity, resale price maintenance, abuse of dominance

HOT TOPICS

Practices involving human resources (HR) are on CADE's radar over the past year, including the initiation of several investigations involving sensitive information exchange between HR benchmarking groups (e.g., MedTech, GECON and GES/GEAB)

Increasing enforcement on unilateral conducts in digital markets. A bill currently under discussion in the Brazilian National Congress (the 'Brazilian DMA' - Bill No. 4,675/2025) proposes the creation of a new Superintendence specialized in digital markets, which will be responsible for handling unilateral conducts cases involving agents with systemic relevance in digital markets

Liquid fuels market designated as a priority for 2025–2026 (CADE Ordinance No. 379/2025), including both conducts and merger filings

CURRENT LEGAL FRAMEWORK



APPLICABLE SANCTIONS

- **Fines for companies** up to 20% of gross turnover
- **Fines for individuals** up to 20% of companies' fines or BRL 50 thousand to BRL 2 billion (non-executives)
- **Non-pecuniary sanctions:** divestiture of assets, prohibition on contracting with the Public Administration, publication of decision



CASES INITIATED BY CADE (JAN./OCT. 2025)

6 PREPARATORY PROCEEDINGS

7 ADMINISTRATIVE INQUIRIES

8 ADMINISTRATIVE PROCEEDINGS

6 SETTLEMENT AGREEMENTS APPROVED BY THE TRIBUNAL



PECUNIARY CONTRIBUTIONS BRL 214 MILLION

MAIN SECTORS INVOLVED



AUTOMOTIVE



ELECTRICITY



SELF-SERVICE WHOLESALE AND RETAIL

ANTITRUST

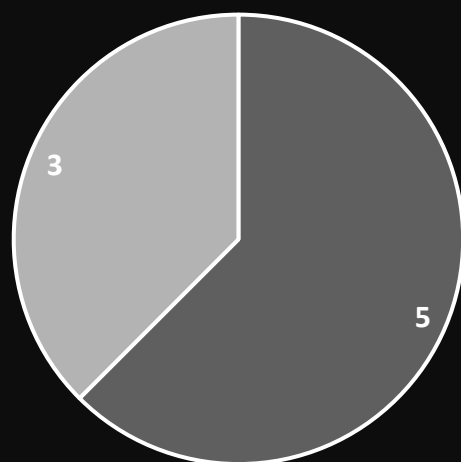
KEY TRENDS FOR CHINESE COMPANIES

2024 - 2025

MERGER FILINGS



8 Merger filings submitted to CADE by Chinese companies



■ 2024 ■ 2025

MAIN SECTORES INVOLVED



ELECTRICITY



OIL AND GAS



IRON ORE

RECENT CASE

(Anglo American / MMG Singapore Resources)

- In August 2025, CADE's General Superintendence initiated a **Gun Jumping Investigation** into the sale of two nickel mining plants in Barro Alto and Niquelândia (GO) from Anglo American to MMG Singapore Resources (a subsidiary from China Minmetals).
- The investigation examines whether the **transaction should have been notified** to CADE. If so, the parties may face **fines of up to BRL 60 million**.
- CADE has **call-in powers** (Article 88, §7, of the Brazilian Competition Law) to **review non-notifiable transactions within one year of their consummation**, which could be an important tool in **strategic sectors** such as **critical minerals** and **energy transition**.

INVESTMENT OPPORTUNITIES IN THE BRAZILIAN MARKETS



Clean Energy production creates demand for transmission lines and investment opportunities in Brazil ([Produção de energia limpa é atrativo para empresas investirem no Brasil | Energia & tecnologia | Valor Econômico](#))



Green investment and Green Bonds. BNDES public call for climate-related investments. ([BNDES and CEXIM sign agreement to strengthen co-investments and cooperation between Brazil and China / Brazil's development bank BNDES launches \\$3.3 bln green economy fund initiative | Reuters](#))



Eco Invest Brasil. Credit facility within the climate fund with four sub-lines for domestic and foreign companies or investors: blended finance, long term FX liquidity facility, foreign exchange derivatives, project structuring ([Eco Invest Brasil — Tesouro Nacional](#)).



Data Centers. Brazil is creating tax incentives to attract investments. Projects for development and implementation of data centers are mainly financed by BNDES ("FUST" credit line), international infrastructure funds, and local and international capital markets. ([Brazil launches proposals to attract data centers, regulate digital competition | Reuters](#) / [MDIC abre tomada de subsídios sobre o regime especial de tributação para serviços de data center \(REDATA\) - Cescon Barrieu – Centro de Inteligência Jurídica](#))



Mining sector and rare earths are viewed as a strategic investment opportunity in Brazil with great potential. A new regulatory framework is under review by ANM (National Mining Agency) and aims to facilitate creation of security in the context of financing instruments. ([O Brasil na corrida mundial por terras raras | Opinião | Valor Econômico](#) / [Consulta Pública sobre garantias financeiras para financiamento na mineração - Cescon Barrieu – Centro de Inteligência Jurídica](#))

CAPITAL MARKETS INCENTIVES FOR INVESTMENT OPPORTUNITIES

INFRASTRUCTURE DEBENTURES AND INCENTIVIZED BONDS

- New type of debenture/bonds created by Law 14.801/2024 aimed at offering more attractive interest rates and increasing private funding capacity for infrastructure projects.
- Available to special purpose companies, concessionaires, permit holders, authorizers or lessees of public services incorporated as joint stock companies, including their controlling shareholders.
- All funds must be earmarked for infrastructure investment projects or economic production intensive in research, development and innovation.
- Unlike incentivized debentures which benefit investors (Law 12.431/2011), infrastructure debentures provide tax benefits for issuers who may: (a) deduct interest paid when calculating net profit; and (b) exclude 30% of interest paid from real profit and CSLL calculation base.
- Reimbursement period for infrastructure debentures extended from 24 months to 60 months from public offering closure.
- Prior ministerial approval is not required, although it will still be necessary to obtain the framework by act of the Executive Branch.
- Environmental/social benefit projects receive priority analysis and simplified processing
- Bond issuance through international market by specific purpose companies, concessionaires, and controlling companies, subject to BACEN registration.
- Withholding income tax on interest paid to foreign residents reduced to zero.
Exceptions: 25% rate for beneficiaries in favorable taxation countries; 30% rate for related parties abroad.
- Issuers can choose between incentivized debentures or Incentivized Bonds based on market attractiveness.

INFRASTRUCTURE INVESTMENT FUNDS

- Must invest minimum 85% of reference value in infrastructure debentures (67% minimum in first two years)
- Income from Infrastructure Debentures subject to 10% IRRF when earned by exempt funds
- Extended timeframes: 360 days to start activities, 24 months to meet minimum investment levels
- Greater flexibility allowing expansion through existing SPEs
- FIP-IE can acquire Infrastructure Debentures



LEGAL FRAMEWORK: Law No. 12,431, of June 24, 2011 | Law No. 14,801, of January 9, 2024 | Decree No. 11,964, of March 26, 2024 | Ministerial Ordinances (Portarias)



BENEFITED SECTORS: Logistics and transportation, Urban mobility, Energy, Telecommunications and broadcasting, Sanitation, Transformation of strategic minerals, public interest (education, housing, security, cultural and sports facilities, urban parks).

BRAZILIAN CAPITAL MARKETS RECENT INNOVATION

NEW CVM FÁCIL REGIME

- CVM released Resolutions CVM No. 231 and 232, which regulate the Facilitation of Access to Capital and Incentive to Listings (FÁCIL) regime.
- FÁCIL grants Smaller Companies (CMP) certain regulatory exemptions, creating requirements proportional to their size, as well as enabling greater ease of access to the securities market through cost reduction and adherence to new public offering modalities.
- For a company to be classified as a CMP, it must: (I) Have annual gross revenue below R\$500MM, (II) Be listed on an organized securities market, (III) Be in operational stage, (IV) Obtain prior consent from holders of outstanding securities, in the case of an issuer already registered with CVM.
- Replacement of the reference form, prospectus and summary by a single form with fewer informational requirements (FÁCIL Form), submitted annually or on the occasion of public offerings.
- The regulation promotes simplification of informational obligations required in public offerings of securities when the issuer is a CMP.
- Disclosure of audited accounting information on a semi-annual basis, replacing quarterly information = Cost Reduction.
- New Simplified Offering Types:
 - **Direct Offering (up to R\$ 300 million):** Conducting securities offerings of up to R\$300 million under a "direct offering" regime, carried out in the organized market administrator's environment, with exemption from CVM registration and from hiring a lead underwriter. Exemption from lead underwriter substantially reduces underwriting costs.
 - **Debt Offerings to Professional Investors:** Conducting offerings of debt securities aimed exclusively at professional investors regardless of hiring a lead underwriter for the offering and auditing financial statements. Maximum Flexibility: Allows fundraising without audit for unregistered issuers.
- **Expansion of Investment Universe:** More companies accessing public markets
- **Sectoral Diversification:** Smaller companies from diverse sectors
- **Innovative Structures:** New offering modalities create differentiated products
- **Lower Disclosure:** Semi-annual vs. quarterly information
- **Governance Flexibility:** CMPs may waive certain practices
- **Shared Supervision:** Exchanges assume more active role

¹ Fonte: <https://www.gov.br/cvm/pt-br/assuntos/noticias/2025/cvm-cria-regime-facil-para-facilitar-acesso-de-companhias-de-menor-porte-ao-mercado-de-capitais>
CVM cria o regime FÁCIL - Facilitação do Acesso a Capital e de Incentivo a Listagens - Cescon Barrieu – Centro de Inteligência Jurídica

WHY FOREIGN INVESTORS ARE ACTIVE AGAIN



Among the **world's 10 largest consumer markets**¹



Favorable FX rate (high USD/BRL boosts foreign buying power)



Lower valuations compared to global peers



Local funds seeking exits / **succession** issues



Tax reform and other announced reforms have inspired cautious optimism in 2024–2025



Improvements in the infrastructure regulatory landscape

¹ World Bank

PROJECT FINANCE SECURITIES & INVESTMENT FUNDS

Financing opportunities landscape

New Law Nº 14,801/2024 creates infrastructure debentures, changes rules for **incentivized debentures** and investment funds in the sector, including tax guidelines, and promotes incentives for raising funds through the issuance of debt securities abroad (bonds)

- **Brazilian Incentivized Bonds**
- **Incentivized Debentures**
- New Incentivized Debentures
- Infrastructure Equity Investment Fund (FIP-IE)
- Investment Fund for Participation in Economic Production Intensive in Research Development and Innovation (FIP-PD&I)
- Incentivized Infrastructure Investment Fund (FI-Infra)

BENEFITED SECTORS



Logistics and transportation



Irrigation



Public cultural and sports facilities



Urban mobility



Free public education



Social housing, including projects implemented exclusively through PPPs



Energy



Free public health



Urban requalification



Telecommunications and broadcasting



Public security and the prison system



Transformation of strategic minerals for energy transition



Sanitation



Public urban parks and conservation units



Public lighting

PROJECT FINANCE SECURITIES & INVESTMENT FUNDS

Financing opportunities landscape

RECENT ACTIVITIES

In 2025, companies raised **BRL 544,8 billion through debentures, commercial notes and promissory notes**, of which BRL 177.97 billion were in incentivized debentures

Further, foreign investors increased their participation, accounting for approximately **62% of the trading volume** in the equities market in 2025

The sectors that raised the most funds through incentivized debentures include **transportation and logistics (34.9%) and electric power (32.2%)**, followed by **sanitation (9.95%)** and **telecommunications (7.71%)**

REGULATORY MATTERS

CVM Resolution No. 226 (March 2025) simplifies debentures offerings

Tax benefits overview

Infrastructure Debentures shift tax benefits from natural person investors to issuers, allowing companies to deduct interest payments from net profit calculations and **exclude 30% of annual interest from IRPJ** and CSLL tax bases

Brazilian incentivized Bonds enjoy **0% Withholding Income Tax** on interest on foreign loans. However, this benefit is excluded for beneficiaries in preferential tax jurisdictions 25% rate applies and for interest paid to affiliated foreign entities (30% rate), regardless of their jurisdiction

Eco Invest Brasil

Financing opportunities landscape



OBJECTIVES

- To promote sustainable private investments
- To attract external capital for long-term projects
- To provide instruments to hedge against exchange rate volatility



Increased predictability



Risk reduction

INITIATIVES

1st auction: Green projects

Date: 10/11/2024

Demand: between BRL 6 billion and BRL 7 billion

2nd auction: Degraded lands

Date: Coming months

Objective: Restore 1 million hectares of degraded land in the Atlantic Forest, Cerrado, Caatinga, Pampa, and Pantanal biomes

EXPECTED RESULTS

- 1 Support the establishment of Brazil as a global leader in ecological transformation efforts and the fight against climate change
- 2 Make Brazil a model for best practices in mitigating risks related to currency volatility
- 3 Increase Brazil's integration with the international financial system through increased financial operations with Brazilian projects and companies related to the ecological transformation

EXAMPLES OF ELIGIBLE PROJECTS



Circular economy



Technological densification of eligible sectors



Bioeconomy and systems



Energy transition



Infrastructure to reduce carbon emissions or economic resilience to climate change

Eco Invest Brasil

Benefits



ECO INVEST BRASIL, across the four credit lines, brings benefits in Funding, FX Risk Management and Technical Assistance for Corporates & Projects

CREDIT FACILITY	PRODUCT	FUNDING		FX RISK MANAGEMENT				TECHNICAL ASSISTANCE	MORE SUITABLE TO	
		AVAILABILITY	REDUCED COSTS	HEDGING		CONTINGENT DSC SUPPORT ¹	REDUCES FX LOAN EXPOSURE		CORPORATES	PROJECT FINANCE - SPV
				AVAILABILITY	REDUCED COSTS					
Blended Finance	Long-term loan in BRL	✓	✓				✓		✓	
Long Term FX Liquidity Facility	Contingent credit in BRL	✓	✓	●	●	✓			✓	
Foreign Exchange Derivatives	Credit Line in BRL	✓	✓	✓	✓		✓		✓	
Project Structuring	Long-term loan in BRL	✓	✓				✓		✓	



Key benefit



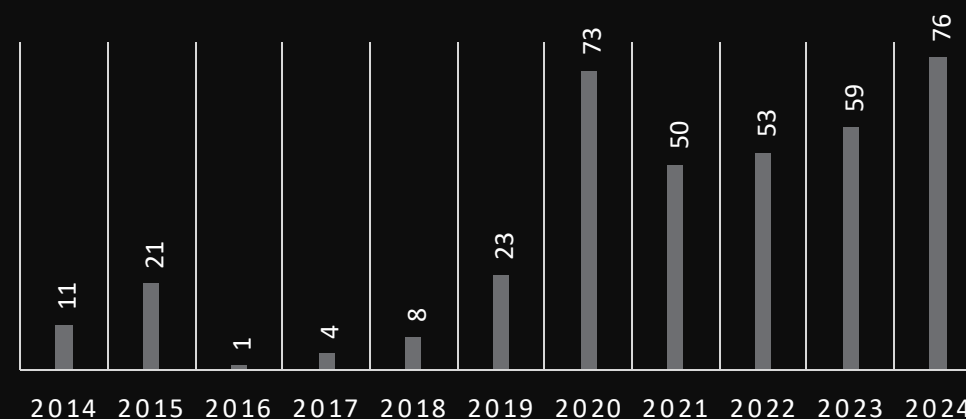
FX Risk mitigation is implicit in the product

BRAZIL'S COMPLIANCE LANDSCAPE

LEGAL FRAMEWORK & ENFORCEMENT

- Anti-Corruption Law (12,846/2013)* as primary corporate liability regime with strict liability - CGU (Controller General's Office) as main enforcement authority with concurrent competence for process initiation and leniency agreement execution
- 76 Administrative Responsibility Processes (PARs) initiated by CGU in 2024 - record-breaking activity surpassing previous high of 73 processes in 2020

PARs established



SANCTIONS FRAMEWORK – SIGNIFICANT FINANCIAL AND REPUTATIONAL EXPOSURE

- Fines from 0.1% to 20% of gross revenue, extraordinary publication, prohibition from contracting with government
- 75% of fines had effective rates up to 7% of gross revenue.
- Compliance Programs - Strategic Investment: Not legally mandatory except for regulated sectors and certain government contracts, but companies with minimally implemented programs achieved average fine reduction of 39.4% - clear ROI on compliance investment

BRAZIL'S COMPLIANCE LANDSCAPE

Strategic trends & CGU's enhanced protagonism

POST-LAVA JATO OPERATION EVOLUTION

- End of Operation Lava Jato shifted focus from corruption-only to comprehensive misconduct - internal investigations also focus on harassment, fraud, and behavioral violations
- CGU assuming greater role to address post-investigation uncertainties

NEW CGU REGULATIONS (2025)

- Eight interpretative statements uniformizing Anti-Corruption Law concepts
- Advantage quantification guide providing technical criteria for penalty calculation
- Ordinance SE/CGU No. 226/2025 regulating compliance program requirements for public contracts

PRÓ - É T I C A P R O G R A M

- Program Overview: Voluntary government recognition initiative for companies committed to ethics and transparency - registration process enables diagnosis and maturation of integrity programs by mapping risks and improvement opportunities
- 84 companies recognized in 2022-2023 cycle, 25% increase from previous cycle
- 2025-2026 innovations: new criteria including ESG and human rights requirements

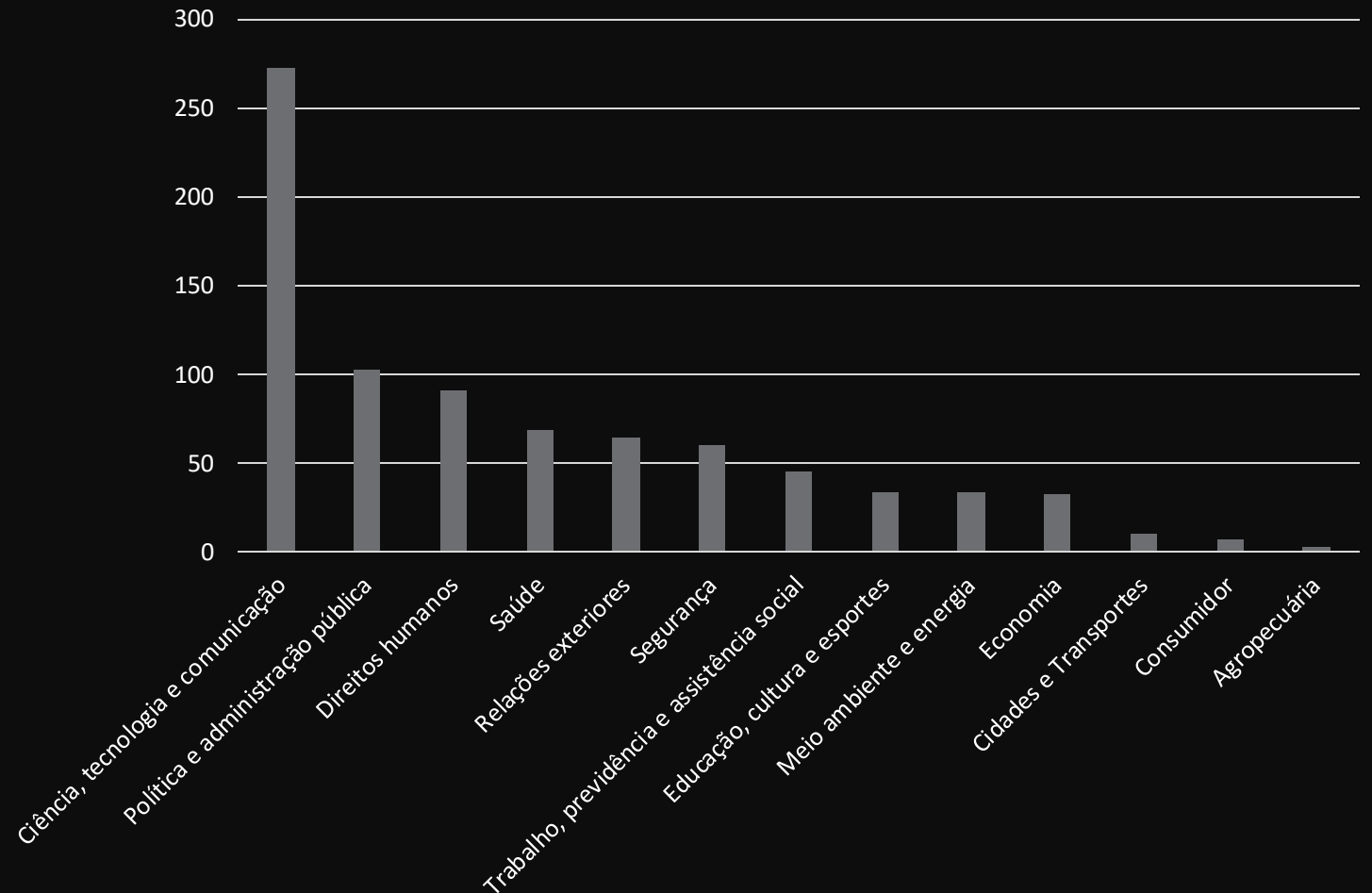
GOVERNMENT RELATIONS

Brazil's institutional complexity dynamics

NATIONAL CONGRESS – INTENSE LEGISLATIVE ACTIVITY

- Legislative Dynamics: Bicameral congress with autonomous committee structure driving sector-specific legislation - specialized engagement required across multiple committees and parliamentary groups
- 594 Members (81 Senators + 513 Deputies) | 52 Standing Committees specialized in strategic areas
- 7,408+ Propositions in 2025 | 593 propositions approved by Chamber of Deputies (approximately 8% conversion rate)

Most voted thematic areas in 2025 by the chamber of deputies



GOVERNMENT RELATIONS

Brazil's institutional complexity dynamics



LEGISLATIVE PRIORITIES – SECTORAL FOCUS AREAS (2025 CHAMBER APPROVALS)

- Technology: 273 approvals in science, technology, and communication - digital transformation priority driving AI, data centers, and telecommunications regulation
- Governance: 103 approvals in public policy and administration - institutional reform affecting regulatory frameworks
- Social Agenda: 91 human rights + 69 health + 45 labor - ESG-aligned legislation impacting corporate compliance
- Economic Infrastructure: 65 foreign relations + 34 environment/energy + 33 economy - strategic sector development creating investment opportunities

EXECUTIVE BRANCH – FRAGMENTED STRUCTURE

- Executive Characteristics: Centralized presidential decision-making with decentralized implementation - multi-level engagement necessary for policy influence and regulatory navigation.
 - 38 Ministries with overlapping mandates
 - 50+ Government Councils shaping cross-sector public policies
- Regulatory Environment: Hybrid system combining political appointees with permanent civil service - dual-track relationship building essential for sustainable government relations
 - 11 Specialized Agencies with autonomous powers (ANEEL-energy, ANATEL-telecom, ANM-mining, ANTT-transport, ANTAQ-ports)

GOVERNMENT RELATIONS

Strategic sectors & regulatory developments
in Government Relations



ENERGY & CLIMATE – REGULATORY FRONTIER FOR INVESTMENT

- New Offshore Wind Law (2025): first comprehensive legal framework for ocean-based projects - new sector for foreign investment
- Carbon Market Law (2024): Brazilian Emissions Trading System (SBCE) implementation - mandatory credit market aligning with global ESG standards

DIGITAL & TECHNOLOGY – FAST- MOVING LEGISLATIVE AGENDA

- AI Bill under Congressional debate - direct impact on platforms, fintechs, and service providers
- REDATA Program (2025): tax incentives for renewable-powered data centers
- 5G Infrastructure Expansion: operator investment commitments creating opportunities in smart cities, IoT, and industrial automation

INDUSTRY & AUTOMOTIVE – GOVERNMENT-LED MODERNIZATION

- Mover Program: comprehensive EV incentives package until 2032 - tax credits for local production and R&D investment
- Green Hydrogen Strategy: ambitious capacity targets by 2030
- Critical Minerals Initiative: strategic partnerships for lithium, rare earths, and graphite - vertical integration opportunities

LABOR AND EMPLOYMENT

Working standards overview

QUALIFICATIONS FOR EMPLOYMENT

To legally hire employees, foreign businesses must complete essential registrations such as a Commercial Registry before the board of trade, obtaining a taxpayer's register ("CNPJ") and enrolling in the eSocial system.

The e-Social is a Governmental system unifying fiscal, labor, and social security obligations and information, including payroll events, occupational health data and litigation.

Subordinated individuals must be hired as employees, regardless of the parties' will.

To protect the Brazilian labor market, foreign workers are capped to 1/3 of the company's payroll. Immigration requirements vary depending on jurisdiction, but in general a work visa is mandatory.

Union representation is mandatory for employees and employers. CBAs are applicable per location and business sector.

LABOR AND EMPLOYMENT

Working standards overview

MAIN STATUTORY RIGHTS

- National minimum monthly wage of BRL 1,621.00, payable by the 5th business day in arrears
- 30 days of paid annual vacation, plus one-third vacation bonus
- Christmas bonus (13th salary), typically paid in two installments, by 30 November and 20 December
- Monthly contributions of 8% of the employee's compensation to the FGTS (unemployment fund)
- Paid weekly rest day, preferably on Sunday
- Standard working hours of up to 8 hours per day and 44 hours per week
- Overtime pay of at least 50% (Monday – Saturday) and 100% (Sundays and public holidays)
- Night work premium of 20% starting at 10 pm, and reduced night hours
- Job protection for pregnant employees, members of the internal commission for accident prevention, union leaders and employees who suffered labor-related accidents/illnesses
- Additional pay for hazardous or unhealthy work conditions
- Transportation allowance
- Legally justified absences from work
- Statutory severance in case of termination without cause, including:
 - Notice period of 30 to 90 days, depending on the length of service
 - Accrued and prorated vacation pay
 - Prorated 13th salary
 - FGTS fine equal to 40% of the FGTS balance
- Governmental benefits include
 - Unemployment insurance payable for 3 to 5 months, subject to eligibility requirements.
 - Paid maternity leave of 120 days
 - Paid paternity leave of 5 days (Law No. 5811/2025 provides for a gradual increase to 20 days by 2027, subject to Presidential approval)
 - Sickness benefits payable after 15 days of medically certified absence
 - Monthly family allowance of R\$ 67.54 per child under 14 years of age, for employees earning up to BRL 1,980.38 per month)



Collective bargaining agreements may establish higher minimum salaries and additional benefits for employees, such as meal vouchers, health insurance, and life insurance.

LABOR AND EMPLOYMENT

Working standards overview

LATEST DEVELOPMENT & TRENDS IN LABOR MATTERS

MAIN LAW CHANGES

- Working hours: Public debate emerged regarding the elimination of the six-day workweek and the reduction of weekly working hours from 44 to 36. Constitutional Amendment Bill No. 8/2025 is currently under consideration by the Chamber of Deputies under a Special Processing Regime.
- Regulatory Norm 1: Effective as of May 26, 2026, companies must include psychosocial risk mapping in their Occupational Risk Management programs.

KEY RULINGS FROM THE BRAZILIAN SUPREME COURT EXPECTED FOR 2026 :

- Employment status of platform workers: A leading case addresses the recognition of an employment relationship between app-based drivers and platform operators. The final decision will have nationwide binding effect, with significant implications for digital platform business models and pending cases.
- Employment status of individuals hired through legal entities: A leading case examines the legality of engaging workers as independent contractors or legal entities and the burden of proof for alleged fraudulent arrangements. The final ruling will have binding effect across the Judiciary.
- Outsourcing activities: A leading case examines the possibility of recognizing an employment relationship between the outsourced worker and the service-receiving company in cases of fraud.

KEY RULINGS FROM THE LABOR SUPERIOR COURT EXPECTED FOR 2026 :

- In 2025, the Superior Labor Court (TST) strengthened its system of binding precedents, establishing mandatory theses, aiming to standardize rulings, reduce litigation, and expedite case resolution.
- In 2026, the following developments are expected: (i) the adoption of additional binding theses; (ii) increased predictability of outcomes and a higher dismissal rate of appeals inconsistent with TST precedents; and (iii) heightened demands for corporate legal compliance, including the review of practices and policies to ensure adherence to binding precedents and mitigate sanction risks.

REAL ESTATE

Key challenges

Foreign entrepreneurs intending to start a business in Brazil may use several alternatives to structure their business. The requirements may vary depending on the elected alternative. However, there are common key challenges and steps to consider in the investment cycle:



Real Estate Structuring Define the most suitable occupancy/holding model for the target assets in light of (i) the project's goals, (ii) each property's legal status and economic relevance, and (iii) constraints such as foreign-ownership limits for rural land, financing requirements, and public-sector rules applicable to the project.



Rural Properties Brazilian law restricts the acquisition and lease of rural land by foreigners and by Brazilian companies controlled by foreigners. The risks shall be assessed within the proposal of safe alternatives for their occupation



Agreements Complex real estate deals usually require pre-signing and definitive agreements (eg, purchase and sale, exchanges, leases, built-to-suit, sale-and-leaseback, creation of in rem rights or collateral, or acquisition of real-estate holding companies), with tailored condition precedents, reps & warranties, and security packages.

REAL ESTATE

Key challenges



Real Estate Legal Due Diligence. Verification of the legal status of real properties (e.g, chain of title, liens/encumbrances, land-use, condominium/association matters) and risk assessment in the deal context



Real Estate Licensing. Assessment of applicable real estate licensing requirements with the Government in each location, based on the activities performed, including compliance with municipal zoning and land-use parameters, urbanistic constraints (such as additional building rights and development-rights mechanisms), and alignment with environmental, and heritage-protection requirements.



Real Estate Regularization. Real estate regularization to meet the requirements of current legislation, financing institutions, and eligibility for public tenders (when relevant – such as bids). Authorizations and registry steps vary by asset class and location.



NEWS AND UPDATES

Tax Reform. Brazil adopted a dual VAT (IBS/CBS) with a specific regime for real estate transactions, potentially covering sales, leases and transfers of real rights, and setting a gradual transition through the next years; this reshapes pricing, crediting and contract models in the sector.

New Legal Guarantees Framework. Enhances collateral rules, including successive/supervening fiduciary transfers over the same property (with priority and subrogation rules) and extrajudicial enforcement of mortgages, improving credit access and recoveries in real estate finance.

LEGAL DUE DILIGENCE QUICK DATA FOR M&A IN BRAZIL ¹

STRATEGIC GUIDELINES FOR INVESTORS

- Legal due diligence constitutes a critical component of any M&A transaction in Brazil, serving as the foundation for informed investment decisions and comprehensive risk mitigation strategies.
- A comprehensive or highly focused legal review transforms legal obstacles into strategic advantages, enabling investors to identify value, negotiate deal structures, and ensure regulatory alignment.
- In Brazil's complex regulatory environment, thorough legal due diligence is not merely advisable—it is essential for transaction success and sustainable value creation.

¹ Based on analysis of real M&A projects in Brazil (2022-2025).

STRATEGIC ANALYSIS FRAMEWORK

Sectors analyzed: Renewable Energy,
Concessions/Infrastructure, Mining



CORPORATE

CRITICAL PROJECT FINDINGS:

- 60% of projects presented outdated corporate books, preventing adequate verification of ownership structures (all sectors);
- Unpaid capital identified in 40% of cases, creating joint and several liability exposure for shareholders (all sectors);
- Unconverted AFACs identified in energy projects, generating IOF tax incidence risk
- Restrictions in fiduciary sale agreements preventing corporate reorganizations (concession/infrastructure sector);

COMPETITIVE ADVANTAGE OF MAPPING AND MITIGATING RISK:

- Reduction in transaction closing time;
- Accelerate bureaucratic approval processes;
- Enhanced analysis of capital ownership structure;

STRATEGIC ANALYSIS FRAMEWORK

Sectors analyzed: Renewable Energy,
Concessions/Infrastructure, Mining

REGULATORY

CRITICAL PROJECT FINDINGS:

- Change of control restrictions frequently identified (all sectors);
- 75% of concession projects presented rebalancing requests;
- Transfer of control of energy trading companies subject to prior ANEEL validation (energy sector);

COMPETITIVE ADVANTAGE OF MAPPING AND MITIGATING RISK:

- Renewable Energy: Maintaining up-to-date licenses may avoid imposition of fines and operational suspension;
- Concessions: Obtaining prior ANTT approval for control transfer avoids forfeiture risk;
- Mining: Ensuring compliance with ANM Resolution 95 maintains operational continuity;

STRATEGIC ANALYSIS FRAMEWORK

Sectors analyzed: Renewable Energy,
Concessions/Infrastructure, Mining



ENVIRONMENTAL

CRITICAL PROJECT FINDINGS:

- Environmental licensing issues identified in 80% of projects (all sectors);
- Expired or renewal-pending licenses identified in 50% of analyzed projects (all sectors);
- Non-provisioned environmental liabilities identified in 30% of cases, creating unlimited liability exposure for remediation (all sectors);
- Multiple projects indicate interference with protected areas, including quilombola lands (energy sector);

COMPETITIVE ADVANTAGE OF MAPPING AND MITIGATING RISK:

- Contractual protections and indemnification mechanisms for historical environmental liabilities;
- Enhanced information gathering for licensing procedures, resulting in significant time savings;

STRATEGIC ANALYSIS FRAMEWORK

Sectors analyzed: Renewable Energy,
Concessions/Infrastructure, Mining

§ FINANCIAL ASPECTS

CRITICAL PROJECT FINDINGS:

- Change of control clauses identified in most financing agreements analyzed ;
- Complex guarantee structures (infrastructure projects);
- Restrictive financial covenants identified in 85% of projects analyzed;
- Debenture issues with default events due to shareholding changes (energy sector);
- Pledge of mining rights identified on agreement (mining sector);

COMPETITIVE ADVANTAGE OF MAPPING AND MITIGATING RISK:

- Obtaining waivers before closing may reduce costs considering the remaining contract value;
- Prior identification of guarantee structure contractually provided;

STRATEGIC ANALYSIS FRAMEWORK

Sectors analyzed: Renewable Energy,
Concessions/Infrastructure, Mining

Ⓒ INTELLECTUAL PROPERTY

CRITICAL PROJECT FINDINGS:

- Around 38% of license agreements, related to critical software programs, were not provided during the due diligence. The possible absence of regular license may expose companies to fines of 4 to 10 times the license value;
- Most target companies did not retain access logs for 6 months, failing to comply with Brazilian law and subjecting themselves to fines of up to 10% of turnover;
- LGPD compliance is in the implementation phase for most target companies, with risk of sanctions up to R\$ 50 million per infringement;
- Inadequate IP ownership protection and missing IP ownership assignments identified in target companies;

COMPETITIVE ADVANTAGE OF MAPPING AND MITIGATING RISK:

- Comprehensive assessment of trademark and patent portfolios to identify value and risks;
- Identification of competitive barriers and market protection created by registered IP assets;
- Strategic mapping of proprietary technologies and existing licensing arrangements;
- Data protection compliance as competitive differentiator;

STRATEGIC ANALYSIS FRAMEWORK

Sectors analyzed: Renewable Energy,
Concessions/Infrastructure, Mining



LITIGATION

CRITICAL PROJECT FINDINGS:

- More than R\$ 380 million in aggregate contingencies were identified, with 85.5% being of tax nature;
- Overdue tax debts and installments, subject to enrollment in active debt or tax execution;

COMPETITIVE ADVANTAGE OF MAPPING AND MITIGATING RISK:

- Reduction of provisions through active litigation management;
- Strategic negotiation of escrow accounts for specific contingencies;
- Proactive contingency management protects transaction value and ensures financial predictability;

WHAT INVESTOR NEED TO KNOW

Key Takeaways for investors

- **STRONG ECONOMIC FOUNDATION:** GDP of USD 2.1 trillion in 2024 with robust foreign investment protections
- Long-Term Needs: To meet future demands (climate adaptation, urban growth), Brazil must invest 4.65% of GDP annually until 2045.
- **SECTOR HIGHLIGHTS:**

- > **Energy:** Largest investment area, with R\$113.2 billion projected in 2025. Brazil has the cleanest electricity mix among G20 countries, with strong growth in wind and solar.
- > **Transportation:** Estimated at R\$90 billion, driven by railways, ports, and highways.
- > **Sanitation:** Expected to nearly double from 2022 levels, reaching R\$46 billion in 2025, boosted by the 2020 legal framework.

<https://valorinternational.globo.com/business/news/2025/09/25/infrastructure-investment-in-brazil-expected-to-slow-in-2025-study-says.ghtml>

In 2025, the Brazilian Development Bank (BNDES) and the Export-Import Bank of China launched a US\$ 1 billion fund to invest in: Energy transition, Infrastructure, Mining, Agriculture and Artificial Intelligence

<https://oglobo.globo.com/economia/negocios/noticia/2025/10/02/bndes-e-china-firmam-acordo-para-fundo-de-r-1-bi-para-investimentos-em-transicao-energetica-ia-e-mais.ghtml>

WHAT INVESTOR NEED TO KNOW

Key Takeaways for investors

- INVESTOR CONSIDERATIONS:

- Legal certainty and regulatory predictability are essential.
- When entering the Brazilian market, understanding the dispute resolution landscape is key:
 - > **Broad Access to Justice:** Brazil's legal system handled 37 million new cases in 2023 and 39.4 million new cases in 2024, reflecting a culture of broad access to courts (CNJ, Justice in numbers [Justiça em Números], 2025, p. 21).
 - > **Well-Structured Judiciary:** 18,748 judges supported by 278,826 court staff across 15,931 judicial units nationwide (CNJ, Justice in numbers [Justiça em Números], 2025, p. 20)
 - > **Digital Leadership:** 99.4% of new cases filed electronically in 2024, demonstrating advanced technological infrastructure (CNJ, Justice in numbers [Justiça em Números], 2025, p. 613).
 - > **Leading Arbitration Hub:** Brazil ranks as the second most represented nationality worldwide in ICC arbitration cases, with 156 parties in 2024. The United States holds the top position, with 167 parties (ICC Dispute Resolution Statistics, 2024, p. 7).

- Insolvency Proceedings under Brazilian Bankruptcy Law: Judicial reorganization proceeding resembles Chapter 11 of the US Bankruptcy Code. Out of court reorganization proceeding resembles 'pre-packs' of the US Bankruptcy Code. Bankruptcy liquidation proceeding resembles Chapter 7 of the US Bankruptcy Code

DISPUTE RESOLUTION IN BRAZIL

Litigation and Arbitration

Litigation and Arbitration are two distinct pathways for resolving civil and commercial disputes, each offering specific features, strategic advantages, and procedural approaches

THE JUDICIAL ROUTE: Brazil's court system is marked by exceptionally high litigation volumes and broad access to justice. However, it also faces challenges related to procedural delays and backlog. Despite this, the judiciary demonstrates notable productivity and is undergoing a significant digital transformation aimed at improving efficiency.

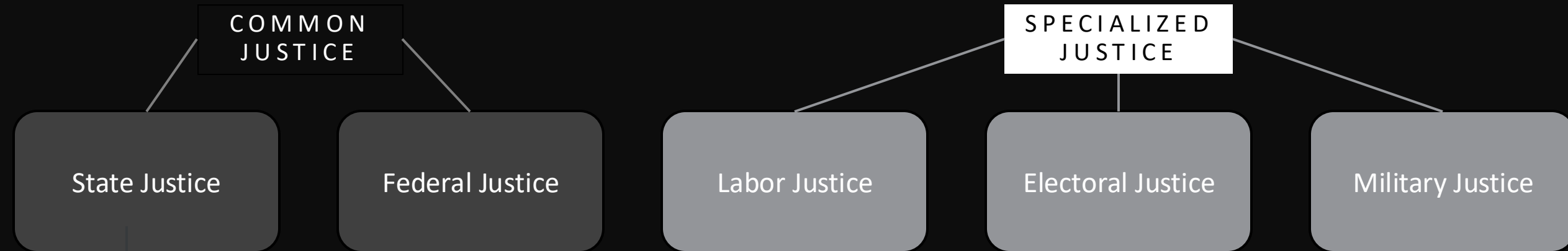


THE ARBITRATION ROUTE: Brazil has established itself as a well-developed, sophisticated, and arbitration-friendly jurisdiction, increasingly chosen as the preferred forum for complex, high-value commercial, corporate, and infrastructure disputes. Arbitration is available for matters involving disposable patrimonial rights, provided the parties expressly opt for this dispute resolution mechanism.

Strategic Recommendation: For complex commercial transactions, particularly in infrastructure, energy, M&A, and corporate governance, arbitration clauses are standard practice and strongly recommended

THE BRAZILIAN JUDICIARY

The Brazilian Judiciary is a complex, multi-tiered system composed of five distinct branches: State Justice, Federal Justice, Labor Justice, Electoral Justice, and Military Justice. State and Federal courts are considered "Common Justice," whilst the others are "Specialized Justice"



Federal Justice has specific jurisdiction over cases involving the federal government, its entities, foreign states, or international treaties.

LARGEST SEGMENT: 77.2% OF CASES AND 68.9% OF MAGISTRATES

Source: CNJ, Justice in numbers, 2025

THE BRAZILIAN JUDICIARY

State Justice

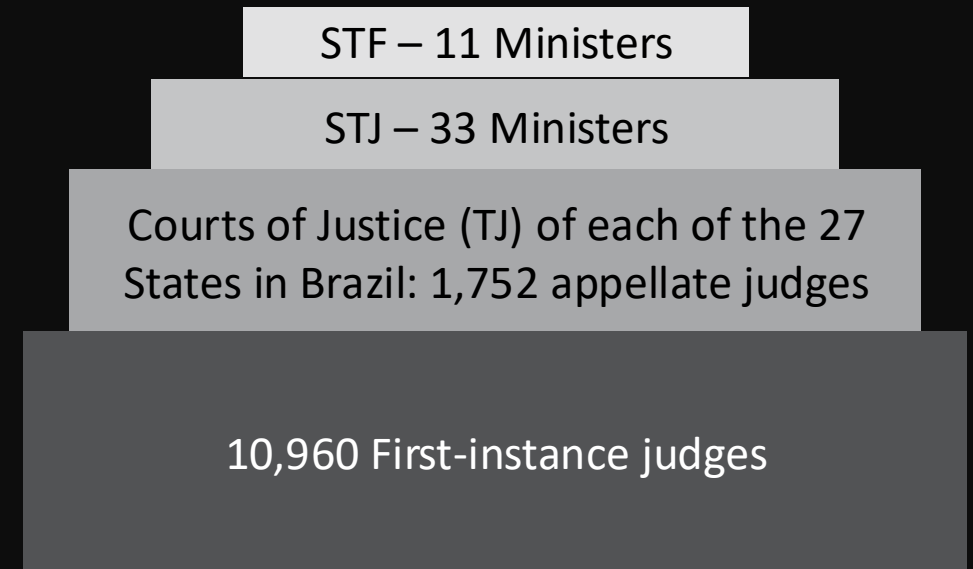
The Brazilian judicial system is organized in a clear hierarchical structure with multiple levels of jurisdiction, each with specific powers and functions.

Brazil's judiciary is organized into hierarchical levels. At the **first instance**, courts receive initial filings, examine evidence, hear witnesses, and issue the first decisions on the merits.

The **SECOND INSTANCE** consists of collegiate courts that review appeals against first-instance rulings. These courts also have original jurisdiction over certain authorities and specific matters. Decisions at this level are rendered by appellate judges (desembargadores) or second-instance judges.

SUPERIOR COURT OF JUSTICE (STJ): The STJ serves as the highest court for non-constitutional matters within Brazil's federal and state judicial systems. Its primary role is to standardize and unify the interpretation of federal legislation. As an exceptional appellate body, it is accessed through special appeals in cases strictly defined by law. The STJ also plays a key role in arbitration-related matters, including the recognition and enforcement of foreign arbitral awards and the resolution of legal issues arising from arbitration proceedings.

SUPREME FEDERAL COURT (STF): The STF is Brazil's highest constitutional court, responsible for interpreting and safeguarding the Federal Constitution. It hears cases involving constitutional matters and ensures the uniform application of constitutional law nationwide.



Source: CNJ, Justice in numbers [Justiça em Números], 2025

LITIGATION VOLUME

Broad Access to Justice

SCALE OF BRAZILIAN LEGAL SYSTEM

(CNJ, Justice in Numbers [Justiça em Números], 2025, p. 623, 21):

- **80.6** million pending cases (year-end)
- **39.4** million new cases filed
- **44.8** million cases resolved (record productivity)

COMPARATIVE PERSPECTIVE (CNJ, Justice in Numbers [Justiça em Números], 2025, p. 24)

- Brazil has **4.18** times more new cases per capita than the European Union
- **However** Brazilian magistrates resolve an average of **2,389** cases per year, nearly **10** times the European average of 252 cases

SPECIALIZED BUSINESS COURTS

ENHANCED EXPERTISE FOR COMMERCIAL DISPUTES

- Brazil has established specialized business courts (varas empresariais), particularly in São Paulo
- **Jurisdiction:** Corporate law, M&A disputes, industrial property, and arbitration-related judicial measures
- **Proven Efficiency: 37% to 48% reduction** in case processing time compared to common civil courts (NANI, Ana Paula Ribeiro. The Business Courts of the São Paulo Court of Justice [As Varas Empresariais do Tribunal de Justiça de São Paulo]. Master's Dissertation, Fundação Getulio Vargas School of Law São Paulo (FGV Direito SP), 2023, p. 181)
- **Quality & Collaboration:** Recognized for high-quality decisions and collaborative relationship with arbitration proceedings

ARBITRATION IN BRAZIL

A world-class framework

PRO-ARBITRATION JURISDICTION

- **Global Recognition:**
- Modern Arbitration Act based on **UNCITRAL Model Law**
- Arbitral awards carry the **same weight as final court decisions**

JUDICIAL SUPPORT:

- Consistent pro-arbitration decisions from the Superior Court of Justice (STJ)
- STJ is the Competent Authority for Annulment requests, which are **rarely granted**, reinforcing award stability
 - > Only **1.55%** of arbitration challenges successful in 2023 (Arbitration in Numbers [*Arbitragem em Números*], 2024, Selma Ferreira Lemes, p. 31)
- STJ is the Competent Authority for Recognition and Enforcement of Foreign Arbitral Awards
 - > Governed by the **New York Convention** (ratified by Brazil) and the **Brazilian Arbitration Act (Law 9.307/1996)**, given the following criteria:
 - Award must not violate Brazilian public policy, sovereignty, or good morals.
 - Issued by a competent authority.
 - Parties must have had due process (right to be heard).
 - Award must be final and binding.
 - Certification by the Brazilian consulate in the country of origin may be required.
 - > No Review of Merits: STJ does not re-examine the substance of the award (only its formal validity).
 - > Post-Recognition: Once recognized, the case is referred to a Federal Court for enforcement under the Brazilian Civil Procedure Code.

ARBITRATION IN BRAZIL

A world-class framework

SECOND MOST ACTIVE NATIONALITY WORLDWIDE

ICC GLOBAL RANKINGS (2024):

- **Brazil ranks #2 globally** with **156 parties** in ICC arbitrations, representing **6.52%** of all parties worldwide (p. 7)
- Only the United States (167 parties, 6.98%) ranks higher than Brazil (p.7)
- Brazil significantly surpasses Spain (with 137 parties), Mexico (with 106 parties), and Italy (with 101 parties) (p.7)

REGIONAL DOMINANCE

- Latin America & Caribbean achieved a record year with **511 parties** (21% of global total), with Brazil accounting for **30.5%** of the region's activity (p.7)

LEADING LATIN AMERICAN VENUE

SEAT SELECTION STATISTICS (2024):

- Brazil was selected as the place of arbitration in **30 cases**, tied with Mexico as the **leading arbitration seat in Latin America**

ICC Dispute Resolution 2024 Statistics

ARBITRATION IN BRAZIL

A world-class framework

ARBITRATION BY THE NUMBERS - (Arbitration in Numbers [*Arbitragem em Números*], 2024, Selma Ferreira Lemes)

VOLUME AND VALUE

- **318** new cases administered by the eight leading Brazilian arbitration chambers (p.5)
- Total disputed value: **R\$29 billion** (approx. **USD 5.8 billion**) (p.7)

DURATION

- Average arbitration duration: **23.9 months** (p.15)

EFFICIENCY MECHANISMS

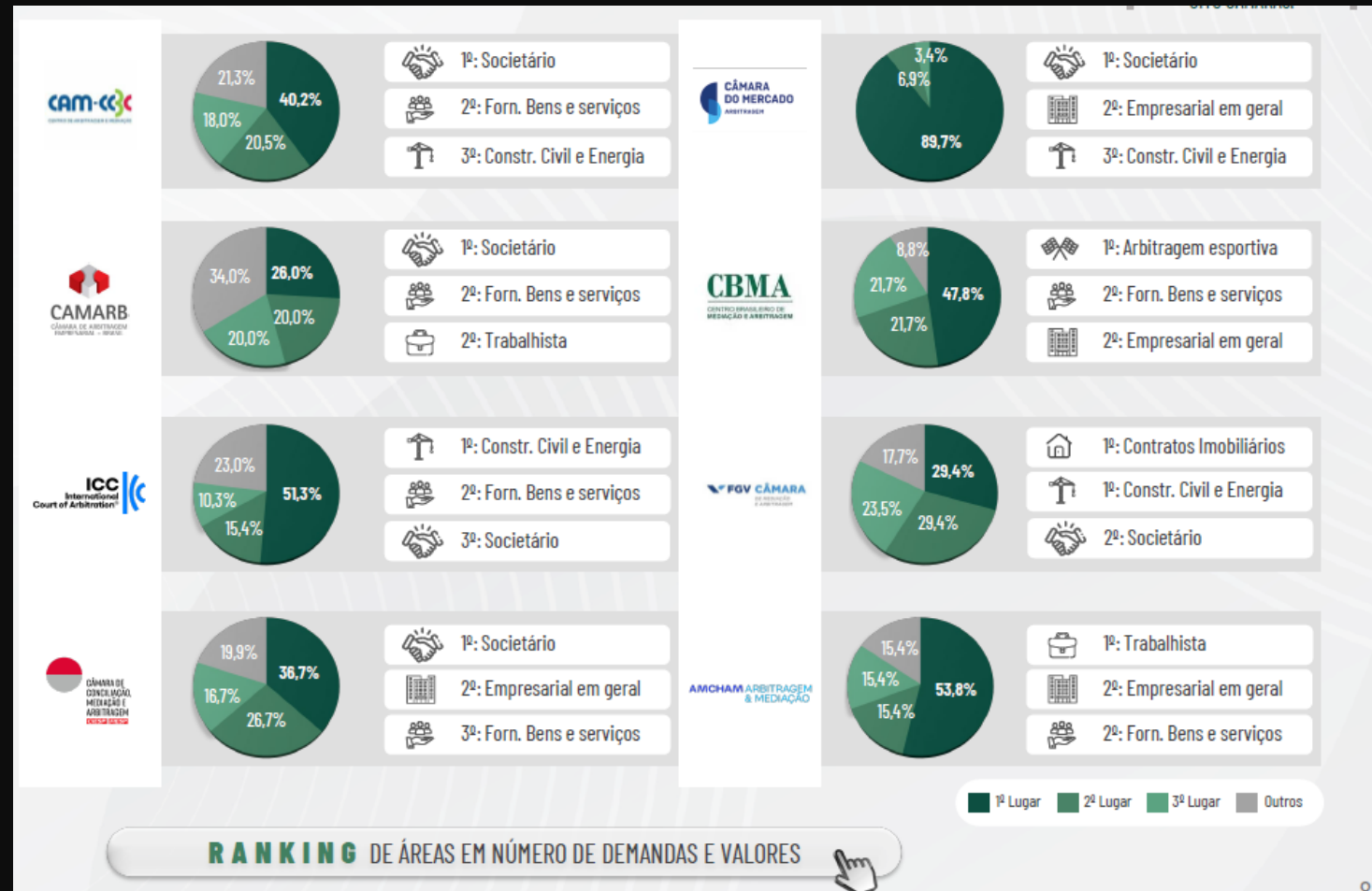
- **Expedited Arbitration:** Average **5.5 months** for smaller disputes (p.17)
- **Emergency Arbitrator:** Decisions in average **17 days** (p. 18)

ARBITRATION IN BRAZIL

Dispute Resolution in regulated sectors

ARBITRATION AS THE PREFERRED METHOD

- **Leading Subject Matters: Corporate Law and Civil Construction & Energy** dominate Brazilian arbitration



ARBITRATION IN BRAZIL

Dispute Resolution in regulated sectors

ARBITRATION WITH PUBLIC ENTITIES

- Arbitration involving state entities is **common and well-established**
- In 2023, Public Administration cases represented **7%** of new arbitrations but **26.4%** of total value in dispute (**R\$8 billion**), reflecting use in high-stakes infrastructure and concession disputes

ARBITRATION INVOLVING BRAZILIAN PUBLIC ENTITIES

- The Federal Union, states, municipalities, government agencies, foundations, and state-owned or state-controlled companies **may engage in arbitration.**
- Arbitration is allowed **only for disputes involving freely disposable economic rights.**
- The arbitration **must be governed by Brazilian law.**
- Proceedings involving public entities have key information made **public** (such as parties involved, arbitral tribunal composition, seat and language)
- **Requirements for Validity** in concession or public-private partnership contracts:
 - Proceedings must be conducted in **Portuguese.**
 - **Seat of Arbitration** must be located in **Brazil.**
 - **Brazilian law** must govern the **merits of the dispute.**



Arbitration in Numbers, 2024 – Selma Ferreira Lemes, p. 11

INSOLVENCY PROCEEDINGS UNDER BRAZILIAN BANKRUPTCY LAW

- **GOVERNING LAW** . Brazilian Bankruptcy Law (Federal Law No 11,101/2005 – 'BBL') provides a set of rules that govern insolvency proceedings of companies in Brazil
- **ENTITIES SUBJECT TO BBL** . BBL does not apply to financial institutions, state-owned enterprises, co-operatives, insurance companies, pension funds and other similar entities
- **AVAILABLE INSOLVENCY PROCEEDINGS** . BBL provides for three different insolvency proceedings: (i) out-of-court reorganization proceedings (*recuperação extrajudicial*) (ii) court-supervised reorganization/judicial reorganization proceeding (*recuperação judicial*); and (iii) bankruptcy liquidation proceeding (*falência*)

RECENT CHANGES IN BBL GENERAL PROVISIONS

- Application of the UNCITRAL Cross-Border Insolvency Model Law
- Incentives to conciliation and mediation
- DIP Finance: super priority claim in the bankruptcy liquidation
- Sale of Assets: more straightforward rules providing for free and clear of liabilities of criminal, labor, compliance, administrative, civil, tax and environmental natures
- Alternative Creditor Plan
- Substantive Consolidation depending on criteria to be verified by Court
- BANKRUPTCY: fresh start and reduced deadline for liquidation of assets

JUDICIAL REORGANIZATION: KEY ASPECTS

- **CH 11 RESEMBLANCE.** Judicial reorganization proceeding resembles Chapter 11 of the US Bankruptcy Code
- **WHEN FILE FOR JUDICIAL REORGANIZATION?** Company must have means to maintain or finance its activities to request judicial reorganization. This can be a time-consuming proceeding, but it might be the best option for scenarios in which debtor and creditors are not able to enter into an agreement/negotiate without court supervision
- **COMPETENT COURT.** Judicial reorganization must be filed in the debtor's center of main interest, that is, the place in which most of the relevant decisions and operations concerning debtor's business activities are held
- **WHO CAN REQUEST?** Only the debtor can request the proceeding, creditors are not allowed to request debtor's judicial reorganization
- **STAY PERIOD.** Court shall allow the commencement of the proceeding if debtor meets certain criteria provided in the BBL and grant a 180-day stay period, extendable for another equal period, in regard to all enforcement and constraint measures. Stay period does apply to other liable parties that do not appear as debtors in the judicial reorganization proceeding
- **MANAGEMENT.** Management remains in control of the business, except for specific situations involving fraud or crimes – or if the approved and confirmed reorganization plan provides for the removal of the debtor's management
- **DISPOSAL OF ASSETS.** Restrictions to the sale and encumbrance of fixed asset shall apply. Set-off is also restricted, expect for set-off under SWAP/derivative transactions
- **CLAIMS SUBJECT TO THE PROCEEDING.** All existing claims in the date of the judicial reorganization request shall be subject to the proceeding (pre-petition claims) and paid in accordance with a reorganization plan approved by creditors and ratified by court
- **EXCLUDED CLAIMS.** The following claims, even if pre-petition, are not subject to the judicial reorganization proceeding: (i) tax claims; (ii) claims secured by chattel mortgage or fiduciary assignment (alienação/cessão fiduciária); (iii) lease and rental agreements executed with certain financial institutions (arrendamento mercantil); and (iv) amounts advanced to the debtor under pre-export agreement (adiantamento a contrato de câmbio para exportação)
- **BANKRUPTCY DECREE.** If debtor fails to comply with the obligations under the judicial reorganization plan within the 2-year period in which debtor can remain under court supervision, court may decree debtor's bankruptcy liquidation

OUT-OF-COURT REORGANIZATION: KEY ASPECTS

- **PRE-PACK RESEMBLANCE.** Out of court reorganization proceeding resembles 'pre-packs' of the US Bankruptcy Code
- **WHEN CHOOSE AN OUT-OF-COURT REORGANIZATION?** A successful out-of-court negotiation between the debtor and its creditors that meets the legal criteria under the BBL authorizes the subsequent filing for court confirmation
- **COMPETENT COURT.** Confirmation of the out of court reorganization plan must be filed in the debtor's center of main interest, that is, the place in which most of the relevant decisions and operations concerning debtor's business activities are held
- **WHO CAN REQUEST?** Only debtor can request the proceeding, creditors are not allowed to request debtor's out of court reorganization
- **STAY PERIOD.** The commencement of an out of court reorganization implies in the stay of enforcement and constraint measures against debtor for 180 days, but only in regard to claims subject to the proceeding and if the plan has the approval of at least 1/3 of creditors (in each class) subject to the proceeding. Stay of other enforcement and constraint measures shall be negotiated directly with creditors (standstill agreements)
- **MANAGEMENT.** Management remains in control of the business, unless otherwise negotiated with creditors
- **CLAIMS SUBJECT TO THE PROCEEDING.** All existing claims in the date of the filing for the ratification request of an out-of-court reorganization can be subject to the proceeding. Debtor can choose to negotiate with one or more classes of creditors (i.e. labor claims, secured claims etc.)
- **EXCLUDED CLAIMS.** The following claims are not subject to the proceeding: (i) tax claims; (ii) claims secured by chattel mortgage or fiduciary assignment (alienação/cessão fiduciária); (iii) lease and rental agreements executed with certain financial institutions (arrendamento mercantil); and (iv) amounts advanced to the debtor under pre-export agreement (adiantamento a contrato de câmbio para exportação)
- **LABOR CLAIMS.** Negotiations with labor creditors require the engagement of the respective union
- **DISSENTING CREDITORS.** If more than one half of the creditors subject to the restructuring approve the plan (in each class) and court confirms such plan, dissenting creditors will necessarily be bound to its terms and conditions

BANKRUPTCY LIQUIDATION KEY ASPECTS

- **CH 7 RESEMBLANCE.** Bankruptcy liquidation proceeding resembles Chapter 7 of the US Bankruptcy Code
 - **WHEN FILE FOR BANKRUPTCY LIQUIDATION?** Companies that file for bankruptcy liquidation have means to maintain its activities. All assets of the company will be collected, assessed and sold to pay creditors
 - **COMPETENT COURT.** Bankruptcy liquidation must be filed in the debtor's center of main interest, that is, the place in which most of the relevant decisions and operations concerning debtor's business activities are held. Once the bankruptcy is decreed, the bankruptcy court holds jurisdiction over all matter related to estate's assets
 - **WHO CAN REQUEST?** Both debtor itself and creditors can request the proceeding if certain criteria is met
 - **MANAGEMENT.** Management will no longer control company's activities, a trustee will be appointed to represent the estate
- **MAINTENANCE OF BANKRUPT COMPANY'S ACTIVITIES.** BBL now provides for the possibility of court to determine the maintenance of the bankrupt company's activities as means to optimize the assets sales and payment of creditors
 - **CLAW-BACK.** In the bankruptcy decree, court will settle a 90-day term (suspect/claw back period) in which certain acts are considered to be ineffective in regard to the estate (payment of debt that is not mature, payment of mature debt by means other than the ones provided in the contract, provision of in rem collateral if the guaranteed debt already existed). The following acts are also considered ineffective in regard to the estate: free disposal of assets or waiver of heritage or legacy within 2 years counted backwards from the bankruptcy liquidation decree; and the transfer of an establishment, without previous consent of creditors, if debtor is left without sufficient assets to settle its liabilities; and acts undertaken after the bankruptcy decree
 - **PAYMENT OF CREDITORS.** Creditors shall be paid according to a waterfall payment roll provided in BBL

BANKRUPTCY LIQUIDATION REQUEST

DEBTOR SHALL MEET THE FOLLOWING CRITERIA TO FILE FOR BANKRUPTCY LIQUIDATION IN BRAZIL:

- BBL shall apply (debtor cannot be a financial institution, state-owned enterprises, co-operatives, insurance companies, pension funds and other similar entities)
- Debtor shall have creditors and liabilities in Brazil
- Debtor shall be unable to maintain its business activities

CREDITORS CAN FILE FOR DEBTOR BANKRUPTCY IN BRAZIL IF:

- The debtor, without a relevant reason, fails comply with the payment of a matured obligation materialized under a protested title with a sum that exceeds 40 (forty) minimum wages in the date of the bankruptcy filing
- There is an enforcement proceeding against debtor and it fails to pay, transfer and appoint sufficient assets to secure the enforcement proceeding within the legal term
- Debtor performs any of the following acts, unless they are part of a judicial reorganization plan: (a) liquidation of company's assets beforehand by fraudulent means to make payments; (b) carrying out or attempting to carry out a fraudulent transaction or disposal of assets to a third party, whether or not a creditor to avoid the payment of the remaining creditors; (c) transfer of an establishment to a third party, whether or not a creditor, without the consent of all the creditors and without keeping sufficient assets to settle its liabilities; (d) simulation of the transfer of its main establishment by unlawful means, without supervision or aimed at harming creditors; (e) provision of collateral to a creditor without keeping sufficient assets to settle its liabilities; (f) lack of a qualified representative with sufficient funds to pay creditors, by abandoning an establishment or hiding; (g) non compliance with obligations provided for in a judicial reorganization plan

DATA PROTECTION

LGPD Overview

On August 14, 2018, Brazil enacted Law No. 13,709/2018, known as the *General Data Protection Law* (LGPD), the country's first comprehensive data protection framework. The LGPD was strongly inspired by the European Union's General Data Protection Regulation (GDPR) and shares many of its core principles and structural elements.

Both laws adopt a risk-based approach and require organizations acting as data controllers or processors to implement governance and accountability measures. Since the effective date of LGPD in 2020, companies that process personal data in Brazil or involving data subjects located in Brazil have been required to comply with a broad set of obligations, including:

- Ensuring transparency, through clear and publicly available privacy notices and policies;
- Conducting data mapping and maintaining records of processing activities;
- Performing Data Protection Risk Assessments (DPIAs) and Legitimate Interest Assessments (LIAs), where applicable;
- Identifying a valid legal basis for each data processing activity;
- Responding to data subject requests, such as access, correction, deletion, and portability; and
- Appointing a *Data Protection Officer* (DPO) and maintaining a dedicated communication channel with data subjects and the Brazilian National Data Protection Agency (ANPD).

It is worth noting that the alignment between the LGPD and the GDPR is substantial, meaning that organizations already compliant with the GDPR are generally well positioned to meet LGPD requirements, with only minor local adaptations typically required (such as appointing a local DPO, translating privacy notices or reviewing contracts under Brazilian law).

DATA PROTECTION

National Data Protection Agency

The LGPD established the Brazilian National Data Protection Agency (“ANPD”) as the country’s primary regulatory and supervisory body for data protection. Originally created as a department within the federal government, the ANPD was recently elevated to the status of an independent regulatory agency, granting it greater institutional autonomy, financial resources, and technical capacity to oversee and enforce compliance with the LGPD.

Under the LGPD, the ANPD holds broad administrative and sanctioning powers, including the ability to impose fines of up to 2% of a company’s Brazilian revenue, capped at BRL 50 million per violation, as well as warnings, data processing suspensions, and publication of violations.

Despite its enforcement authority, the ANPD has so far adopted a balanced and educational approach, prioritizing the promotion of Brazil’s data protection culture and fostering compliance awareness among organizations. The Agency has published numerous guidance documents, handbooks, and technical notes, and has hosted public consultations and events to encourage stakeholder engagement and transparency.

Since 2021, the ANPD has also issued a series of regulatory resolutions to clarify and operationalize key LGPD provisions, addressing topics such as **(i)** security incident reporting and notification procedures; **(ii)** roles and responsibilities of the Data Protection Officer (DPO); **(iii)** mechanisms for international data transfers; among others.

These initiatives reflect the ANPD’s progressive and pragmatic stance, focusing on regulatory clarity and gradual implementation rather than strict punitive measures in the early stages of enforcement.

DATA PROTECTION

Regulatory Centralization and Emerging Competences

In addition to its role as the national data protection agency, the ANPD has increasingly been recognized as a central regulatory body for digital rights and emerging technologies in Brazil.

Most recently, with the approval of Law No. 15,211/2025, known as the “Digital ECA”, the ANPD was designated as the competent authority to oversee and safeguard the rights of minors in digital environments, reinforcing its mandate to protect privacy and personal data in the online ecosystem. Moreover, the ANPD is expected to play a leading role in supervising the implementation of Brazil’s forthcoming Artificial Intelligence legal framework, currently under discussion through Bill No. 2,338/2023. This bill aims to establish principles for the ethical and responsible use of AI and is likely to assign regulatory and monitoring powers to the ANPD, given its expertise in data governance, risk assessment, and accountability mechanisms.

This regulatory centralization under a single authority contributes to greater predictability, consistency, and legal certainty for businesses operating in Brazil. The ANPD’s technical capacity and balanced enforcement posture – focused on guidance and education rather than immediate sanction – have strengthened investor confidence and supported the development of a coherent, innovation-friendly regulatory environment.

DATA PROTECTION

International Cooperation and Global Recognition

On the international stage, the ANPD has established itself as an active and respected participant in the global data protection community. In 2025 alone, the Agency entered into cooperation agreements with Angola¹, Argentina², the United Arab Emirates³, Spain⁴, and the United Kingdom⁵, promoting mutual collaboration in digital governance, regulatory capacity building, and information exchange. These partnerships reflect Brazil's growing integration into international privacy and data protection networks.

The ANPD's leadership has also been recognized globally. The *Future of Privacy Forum* (FPF) granted the Agency the *Global Responsible AI Leadership Award*, highlighting its solid commitment to international cooperation and responsible innovation⁶. According to the FPF, the ANPD has become a benchmark for other data protection authorities and institutions worldwide, particularly in addressing the complex challenges of the digital and AI-driven era.

¹ Available at: [APD de Angola, é a primeira autoridade de língua portuguesa na África a firmar acordo com a ANPD — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

² Available at: [AAIP da Argentina, é ponte estratégica para ANPD consolidar atuação na América do Sul — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

³ Available at: [ANPD e Agência Espanhola de Proteção de Dados renovam parceria por mais quatro anos — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

⁴ Available at: [ANPD e Agência Espanhola de Proteção de Dados renovam parceria por mais quatro anos — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

⁵ Available at: [Governança digital: ANPD e ICO, do Reino Unido, firmam parceria — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

⁶ Available at: [ANPD recebe prêmio internacional por seu pioneirismo e inovação em matéria de inteligência artificial — Agência Nacional de Proteção de Dados](#). Accessed em 23.10.2025

DATA PROTECTION

International Cooperation and Global Recognition

In May 2025, during the 21st Meeting of the *Ibero-American Data Protection Network* (RIPD) held in Cartagena de Indias, Colombia, the ANPD was unanimously elected to preside over the Network for the 2025–2027 term. This appointment reinforces the ANPD’s international leadership and represents another important milestone in consolidating Brazil’s position as a global reference in data protection and digital governance⁷.

Finally, the European Commission recently released a preliminary draft of an adequacy decision concerning Brazil⁸. Once finalized, this decision would formally acknowledge that Brazil ensures a level of personal data protection equivalent to that of the European Union, enabling free and secure data flows between Brazil and the EU without the need for additional transfer mechanisms. This milestone represents a significant advancement for cross-border business operations, enhancing legal certainty and reducing compliance burdens for international companies engaging with the Brazilian market.

⁷ Available at: [ANPD assume a presidência da Rede Ibero-Americana de Proteção de Dados \(RIPD\) — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

⁸ Available at: [União Europeia divulga versão preliminar de decisão de adequação — Agência Nacional de Proteção de Dados](#). Accessed on 10/24/2025

INTELLECTUAL PROPERTY

Overview of the Brazilian Intellectual Property System

Brazil's Intellectual Property system is structured by a comprehensive set of laws that form a solid legal framework aligned with international standards. The central foundation is the Industrial Property Law (Law 9,279/1996), which regulates trademarks, patents, industrial designs, geographical indications, unfair competition among other hybrid rights. The system is complemented by the Software Law (Law 9,609/1998), which governs the protection of computer programs, and the Copyright Law (Law 9,610/1998), which regulates the protection of literary, artistic, and scientific works.

The Brazilian Patent and Trademark Office (BPTO) is the agency responsible for protecting Industrial Property assets in Brazil. In recent years, BPTO has undergone a profound digital transformation, implementing electronic processes and creating priority examination workflows.

This movement has reduced the historical backlog by approximately 80% ¹, bringing greater predictability for rights holders and investors. The convergence of process digitalization, technical analysis improvements, and institutional strengthening has transformed IP into a strategic pillar of competitiveness, innovation, and internationalization for Brazilian and foreign companies that are willing to invest in the Brazilian market.

From an institutional perspective, Brazil has specialized business courts, international cooperation mechanisms for enforcement, and a stable regulatory framework, reducing legal uncertainties and increasing foreign investor confidence.

¹ INPI – Relatório de Gestão 2024 (redução do backlog, digitalização e vias prioritárias).

INTELLECTUAL PROPERTY

International Integration and Treaties Signed by BPTO

Brazil is signatory to various treaties that facilitate the protection and management of IP assets on a global scale. These agreements allow Brazilian rights holders to extend their rights to other countries in a simplified, standardized, and economically efficient manner. Also from a foreign investor perspective, as Brazil is a member of several treaties filing applications in Brazil are easier and can provide certain benefits.

A.

MADRID PROTOCOL (TRADEMARKS) :

The Madrid Protocol is an international treaty that allows companies to protect their trademarks in multiple countries through a single application filed with their national trademark office. Instead of submitting separate applications in each country, businesses can designate several member jurisdictions under one centralized system managed by WIPO (World Intellectual Property Organization). Brazil joined the Madrid Protocol in October 2019, significantly facilitating international trademark protection for local and foreign applicants. This system streamlines the process, reduces costs, and simplifies portfolio management, enabling companies to expand their brands globally with greater efficiency and less administrative burden.

B.

PATENT COOPERATION TREATY (PCT) :

PCT is an international agreement that allows applicants to seek patent protection for an invention simultaneously in multiple countries through a single international application filed with their national patent office. Administered by WIPO, the PCT streamlines the initial filing and examination process, postponing national phase filings and reducing costs and duplication of effort. Brazil became a member of the PCT in 1978, which enables both Brazilian and foreign companies to manage their patent portfolios more efficiently and strategically when seeking protection in different jurisdictions.

INTELLECTUAL PROPERTY

International Integration and Treaties Signed by BPTO

C.

GLOBAL PATENT PROSECUTION HIGHWAY (GPPH):

Allows for accelerated examination of patent applications when there is a favorable opinion issued in another participating jurisdiction. The mechanism reduces time and cost, increasing process predictability and strengthening Brazil's position as an innovation hub.

D.

HAGUE AGREEMENT (INDUSTRIAL DESIGNS):

Simplifies international registration of industrial designs, allowing simultaneous protection in up to 100 countries with a single filing. It expands opportunities for fashion, furniture, and consumer goods sectors.

E.

BERNE CONVENTION (COPYRIGHT):

In force since 1922, it ensures automatic protection for copyrighted works created in signatory countries, without the need for local registration, guaranteeing reciprocity of rights and legal certainty.

These international instruments consolidate Brazil as an interoperable and predictable jurisdiction, reducing regulatory barriers and integrating the country into global innovation and technology chains

INTELLECTUAL PROPERTY

Trademarks

Trademark protection in Brazil is governed by the Industrial Property Law, which ensures the holder's exclusive right to use it throughout the national territory. Registration is granted by the BPTO and constitutes the formal title of ownership. The Brazilian system follows the first-to-file principle, where priority belongs to the first applicant to file for registration.

The Industrial Property Law recognizes different categories of trademarks:

- > nominative (just words)
- > figurative (just signs/logos)
- > compound (words + visual signs/logos)
- > three-dimensional (distinctive shape or form of a product or its packaging, provided that this shape serves to identify its commercial origin)
- > position (specific placement of a sign or logo on a product, distinguishing it from others regardless of shape or design),

The system allows multi-class registration (although it allows it is not in force yet and will be further implemented by the BPTO) and co-ownership, simplifying portfolio management and partnerships. This structure makes trademarks one of the pillars of business strategy and a tangible asset for competitive differentiation.

Protecting a trademark in Brazil is essential for any business entering the market, as it grants several benefits to the titleholder. Key aspects that make trademark protection a valuable asset include:

- a. Exclusivity and legal certainty: registration guarantees exclusive use throughout the national territory, avoiding disputes and strengthening commercial position.
- b. Asset valuation: registered trademarks comprise company valuations and are accepted as collateral in financing and structured operations.
- c. Effective digital protection: Trademark registration with the BPTO enable takedown mechanisms on marketplaces and social networks.
- d. Foundation for franchise and licensing agreements, expanding revenues and strengthening corporate reputation.

INTELLECTUAL PROPERTY

Patents

Patent protection is governed by the Industrial Property Law and covers inventions and utility models that present novelty, inventive step, and industrial application. The system is integrated with the PCT and GPPH, which harmonize technical examination and expedite the granting of rights.

ASPECTS THAT STRENGTHEN THE INNOVATION ENVIRONMENT:

A.

TECHNICAL AND COMPETITIVE BARRIER

Prevents commercial exploitation by third parties and guarantees temporary exclusivity (20 years for inventions and 15 for utility models).

B.

PREDICTABLE ENVIRONMENT

Backlog reduction and priority examination programs increase system efficiency.

C.

INTEGRATION WITH THE INNOVATION ECOSYSTEM

Lei do Bem (Brazilian law that grants tax incentives to companies investing in research, development, and innovation - R&D&I.) and the Startup Legal Framework create synergy between IP and tax incentives.

D.

PREDICTABLE ENVIRONMENT

Programs that prioritize environmental technologies reinforce the ESG agenda and green economy.

These mechanisms consolidate Brazil as a reliable environment for research and innovation investments, where protection time aligns with market adoption time.

INTELLECTUAL PROPERTY

Software

Computer programs are protected by Law 9,609/1998 (Software Law) and the Copyright Law (Law 9,610/1998). Registration at the BPTO is declaratory in nature and serves primarily as evidence of authorship and date of creation. While the software code itself is not protected as a patent, innovative technical processes or inventions implemented by software may be eligible for patent protection, provided they meet the legal requirements of novelty, inventive step, and industrial applicability, and produce a non-obvious technical effect.

REGISTERING THE SOFTWARE WITH THE BPTO MAY BE RELEVANT TO COMPANIES SINCE:

A.

LEGAL CERTAINTY

Proves authorship and facilitates ownership disputes.

B.

AUDIT AND LICENSING

Essential in M&A and technology licensing or partnerships.

INTELLECTUAL PROPERTY

Industrial Design: Aesthetic Value and Product Identity

Governed by the Industrial Property Law and the Hague Convention, it protects the ornamental form or distinctive appearance of an industrial product. Registration confers exclusivity of use for up to 25 years, with simplified examination and possibility of multiple filing.

STRATEGIC BENEFITS:

A.

Exclusive visual protection, strengthening brand differentiation.

B.

Fast and accessible registration, ideal for dynamic sectors such as fashion, consumer goods, and packaging.

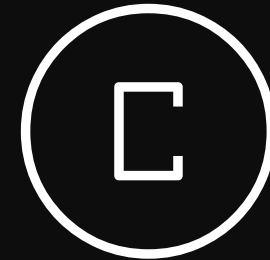
C.

International integration, enabling global expansion at lower cost.

INTELLECTUAL PROPERTY

Copyright

Copyright protection is governed by Law 9,610/1998 and the Berne Convention. It covers literary, artistic, and scientific works, with automatic protection from its creation and proper externalization. Although is not mandatory, registration of copyright may be strategic to prove authorship and facilitate ownership disputes.





CESCON BARRIEU



ABOUT US

+70

Partners

+550

Members

+50

Awards

6

Consecutive
years as Elite Firm

+30

Practice areas

Get to know our Intelligence Center



SELECTED EXPERIENCE – CHINA

INFRASTRUCTURE AND PROJECT FINANCE

- **China Development Bank – CDB** on the acquisition financing of a portion of the Pre- Salt Búzios Field by CNODC Brasil Petróleo e Gás
- **China Development Bank – CDB** on “cash for oil” financings to Petrobras, to finance Petrobras’ crude oil production coupled with an oil supply arrangement to Chinese companies
- **CEXIM - The Export-Import Bank of China** on the financing to Petrobras of Chinese-content in relation to the purchase of equipment related to offshore oil production, storage, and transportation from certain Chinese suppliers
- The lenders including ECAs Atradius, SACE, NEXI and **SINOSURE** on the financings of **FPSOs Almirante Tamandaré** and **Alexandre de Gusmão**, to be deployed by SBM offshore on the Buzios and Mero fields
- **State Grid** on general regulatory matters and procedures before ANEEL, including analysis of new regulatory obligations, strategy for inspection processes and in the context of transmission auctions
- The **Bank of Beijing Financial Leasing Company (BOBFL)** on the execution of a charter agreement with Vale International SA, which will be the charterer of a vessel owned by BOBFL’s subsidiary, Haisheng No.8 (Tianjin) of BOBFL Co., Ltd.

BANKING & CAPITAL MARKETS

- **Ant Group** on the implementation of its payment services business in Brazil, licensing with the Central Bank to operate as a financial institution, and engaging a “bank as a service” business partner, and complying with all regulatory and foreign exchange matters
- **China Three Gorges Brasil Energia** on its first issuance of debentures, in the total amount of BRL 1.45 billion to develop its activities in the electrical energy sector
- S.A. Usina Coruripe Açúcar e Álcool as issuer, Coruripe Holding S.A., Coruripe Energética S.A. and CVW Energética LTDA. as guarantors, and **BOCOM BBM S.A.** as Underwriter, on the 4th issuance of debentures in the total amount of BRL 100 million
- **BOCOM BBM S.A.** and other underwriters on the offering of unsecured debentures issued by Cyrela Brazil Realty S.A. Empreendimentos e Participações, in the total amount of BRL 750 million
- **BOCOM BBM S.A.** and Banco Santander (Brasil) S.A. on the public offering of agribusiness receivables certificates (CRA) of Virgo Companhia de Securitização, backed by agribusiness credit rights owed by GJA Indústrias SA, in the total amount of BRL 480 million

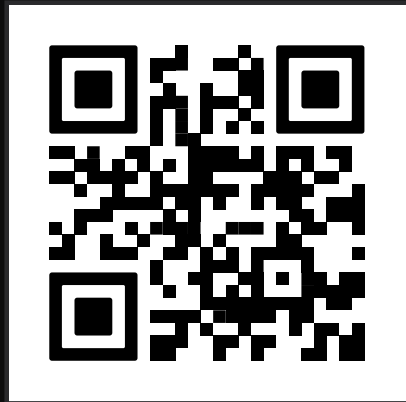
SELECTED EXPERIENCE – CHINA

M & A

- Constantly advising **Ant Group (formerly Ant Financial)** on corporate, tax, data protection, labor and regulatory, since the setting up of its local presence
- **Alibaba/Aliexpress**, on all Brazilian legal matters, including on the development of its local business model, regulatory, tax, data privacy and consumer protection matter
- **Angelalign Technology**, a China-based dental company, on a primary and secondary investment for the acquisition of 51% stake in Aditek
- **China Three Gorges Brasil Energia** on the negotiation of the share purchase agreement for the BRL 2.2 billion sale of its 50% equity interest in the Cachoeira Caldeirão and Santo Antônio do Jari hydroelectric plants to Engie Brasil
- **State Grid** on the launching of two mandatory tender offers targeting CPFL Energia's and CPFL Renováveis' outstanding shares (legal tag along)
- Chinese company on the acquisition of a minority interest on a FPSO owned and operated by **SBM Offshore**

CONTACTS

Get to know our Intelligence Center



FOR FURTHER INFORMATION, PLEASE CONTACT US:



Lior Pinsky

Corporate Law and Governance, M&A and Private Equity
São Paulo | Brazil

lior.pinsky@cesconbarrieu.com.br



Maurício Barros

Tax
São Paulo | Brazil

mauricio.barros@cesconbarrieu.com.br



Rafael Baleroni

Infrastructure & Project Finance, Oil & Gas and Shipping & Offshore
Rio de Janeiro | Brazil

rafael.baleroni@cesconbarrieu.com.br

CESCON BARRIEU

São Paulo - SP

Av. Brigadeiro Faria Lima
949 10º and
São Paulo - SP

Rio de Janeiro - RJ

Praia de Botafogo
228 15º and

Belo Horizonte - MG

Rod. Stael Mary Bicalho Motta
Magalhães 521 15º and

Brasília - DF

SH/Sul Quadra 06 Cj. A
Bl. A Sala 506

Salvador - BA

Avenida Tancredo Neves
450, Cj. 2401

Toronto - ON

1 King Street W Suite
4800, 251

All rights reserved. This material may not be disclosed or distributed to any third party without the prior express consent of Cescon, Barrieu, Flesch & Barreto Advogados.